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LEGISLATIVE HISTORY

Public Law 864 84th Congress

Chapter 815 2nd Session

S. 3820

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DIGEST OF PUBLIC LAW 864-84th Congress

Public Law 864 . (S. 3820) INCREASE IN CCC BORROWING AUTHORITY (approved August 1, 1956). Section 1 provides for an increase in the borrowing authority of the CCC from \$ 12 billion to \$14.5 billion. Section 2 makes it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency under a program of the CCC. Section 2 also reduced from a felony to a misdemeanor, offenses involving property the value of which is \$500 or less, in order to facilitate the prosecution of relatively minor violations.

INDEX AND SUMMARY OF S. 3820

May 9, 1956	Rep. Spence introduced H. R. 11132, which was referred to House Committee on Banking and Currency. Print of bill as introduced and referred.
	Senator Ellender introduced S. 3820, which was referred to Senate Committee on Agriculture and Forestry. Print of bill as introduced and referred.
May 23, 1956	House Committee ordered H. R. 11132 reported with amendment.
May 24, 1956	House Committee reported H. R. 11132 with amendment. H. Report 2211. Print of bill and report.
June 20, 1956	Senate Committee ordered S. 3820 reported with amendment.
June 22, 1956	Senate Committee reported S. 3820 with amendment. Senate Rept. 2289. Print of bill and report.
June 26, 1956	Rules Committee granted rule for consideration of (D.D.) on H. R. 11132.
June 27, 1956	House Rules Committee reported H. Res. 559, Rept. 2492, for consideration of H. R. 11132, which was referred to House Calendar. Printed only in Record.
July 2, 1956	Senator Ellender discussed S. 3820. Senate passed over S 3820.
July 3, 1956	Senate passed S 3820 with amendments.
July 7, 1956	House passed S 3820 with language of H. R. 11132.
July 9, 1956	Senate Conferees appointed on S 3820.
July 13, 1956	House Conferees appointed on S 3820.
July 18, 1956	House received conference report. H. Rept. 2772. Print of report.
July 20, 1956	House agreed to conference report.
July 24, 1956	Senate agreed to conference report.
Aug. 1, 1956	Approved : P. L. 864, 84th Congress.

1 PREVENTION OF WATERFOWL DEPREDATIONS

2 SEC. 2. (a) For the purpose of preventing crop damage
3 by migratory waterfowl, the Commodity Credit Corporation
4 shall make available to the Secretary of the Interior such
5 wheat, corn, and other grains, acquired through price-support
6 operations and certified by the Commodity Credit Corpora-
7 tion to be available for the purposes of this section or in
8 such condition through spoilage or deterioration as not to be
9 desirable for human consumption, as the Secretary of the
10 Interior shall requisition pursuant to subsection (b) of this
11 section. With respect to any grain thus made available, the
12 Commodity Credit Corporation may pay packaging, trans-
13 porting, handling, and other charges up to the time of deliv-
14 ery to one or more designated locations in each State.

15 (b) Upon a finding by the Secretary of the Interior
16 that any area in the United States is threatened with damage
17 to farmers' crops by migratory waterfowl, whether or not
18 during the open season for such migratory waterfowl, the
19 Secretary of the Interior is hereby authorized and directed
20 to requisition from the Commodity Credit Corporation and
21 to make available to Federal, State, or local governmental
22 bodies or officials, or to private organizations or persons,
23 such grain acquired by the Commodity Credit Corporation
24 through price-support operations in such quantities and sub-
25 ject to such regulations as the Secretary determines will most

1 effectively lure migratory waterfowl away from crop depre-
2 dations and at the same time not expose such migratory
3 waterfowl to shooting over areas to which the waterfowl
4 have been lured by such feeding program.

5 (c) With respect to all grain made available pursuant
6 to subsection (b) of this section, the Commodity Credit Cor-
7 poration shall be reimbursed by the Secretary of the Interior
8 for its expenses in packaging and transporting such grain for
9 the purposes of this section. There are hereby authorized to
10 be appropriated such sums as may be necessary to reimburse
11 the Commodity Credit Corporation for its investment in the
12 grain transferred pursuant to this section.

13 AMENDMENT TO PENAL PROVISIONS

14 SEC. 3. Subsection (c) of section 15 of the Commodity
15 Credit Corporation Charter Act, as amended (15 U. S. C.
16 714m (c)), is amended to read as follows:

17 "LARCENY; CONVERSION OF PROPERTY

18 "(c) Whoever shall willfully steal, conceal, remove, dis-
19 pose of, or convert to his own use or to that of another any
20 property owned or held by, or mortgaged or pledged to, the
21 Corporation, or any property mortgaged or pledged as se-
22 curity for any promisory note, or other evidence of indebt-
23 edness, which the Corporation has guaranteed or is obligated
24 to purchase upon tender, shall, upon conviction thereof, if
25 such property be of an amount or value in excess of \$500, be

1 punished by a fine of not more than \$10,000 or by imprison-
2 ment for not more than five years, or both, and, if such prop-
3 erty be of an amount or value of \$500 or less, be punished
4 by a fine of not more than \$1,000 or by imprisonment for
5 not more than one year, or both.”

84TH CONGRESS
2D SESSION

H. R. 11132

A BILL

To increase the borrowing power of the Commodity Credit Corporation, and for other purposes.

By Mr. SPENCE

MAY 9, 1956

Referred to the Committee on Banking and Currency

S. 3820

IN THE SENATE OF THE UNITED STATES

MAY 9 (legislative day, MAY 7), 1956

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To increase the borrowing power of Commodity Credit
Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Act approved March 8, 1938 (52 Stat.
4 108), as amended, is amended by striking out “\$12,000,-
5 000,000” and inserting in lieu thereof “\$14,000,000,000.”

6 SEC. 2. Section 4 (i) of the Commodity Credit Corpo-
7 ration Charter Act (62 Stat. 1070), as amended, is amended
8 by striking out “\$12,000,0000,000” and inserting in lieu
9 thereof “\$14,000,000,000.”

84TH CONGRESS
2d Session

S. 3820

A BILL

To increase the borrowing power of Commodity
Credit Corporation.

By Mr. ELLENDER

MAY 9 (legislative day, MAY 7), 1956

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 24, 1956
May 23, 1956
84th-2nd, No. 85

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HIGHLIGHTS: House agreed to conference report on farm bill. Ready for President. House conferees appointed on USDA appropriation bill. House committee ordered reported bill to increase CCC borrowing authority. House committee ordered reported mutual security bill. House received conference reports on bill to facilitate completion of minor reclamation projects and bill to provide for Federal cooperation in non-Federal reclamation projects. Both Houses received USDA proposed bill on regulation of interstate movement of plant pests. House committee ordered reported bill to authorize use of CCC grain for feeding wild birds. Senate passed Johnston retirement bill. Senate committee reported Commerce (continued on page 6)

HOUSE

1. FARM PROGRAM. Agreed to the conference report on H. R. 10875, the farm bill, by a vote of 304 to 59. p. 7950 This bill is now ready for the President.
2. APPROPRIATIONS. Conferees were appointed on H. R. 11177, the USDA appropriation bill for 1957. p. 7960 (Senate conferees were appointed May 22.)
3. RECLAMATION. Received the conference report on H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. The conferees agreed to limit the application of this bill to the 17 Western reclamation States, to provide for authorization of projects by the appropriate Congressional committees, and to provide with modifications that local participating organizations not be required to contribute in excess of 25% of the reimbursable costs and that projects producing electric power conform to the power preference provisions of the reclamation laws (H. Rept. 2200). p. 7961
Rep. Aspinall requested and received permission for Rep. Saylor to file for inclusion in the Congressional Record a statement of his opposition to the conference report on H. R. 5881. p. 7963

Received the conference report on H. R. 6268, to provide for the use of appropriated funds by the Secretary of Interior in contracts for the construction of drainage works and other minor items on Federal reclamation projects (H. Rept. 2199). p. 7961

4. PLANT PESTS. Both Houses received from this Department a proposed bill to amend legislation for regulation of the movement from foreign countries into or through the U. S., and the interstate movements of plant pests; to the Senate Agriculture and Forestry Committee and the House Agriculture Committee. pp. 7894, 7970
5. CCC. The Banking and Currency Committee ordered reported (amended) H. R. 11132, to increase the borrowing power of the CCC. p. D520
6. GRAINS. The Banking and Currency Committee ordered reported H. R. 7641, to provide for the use of surplus grains to feed certain wild birds in an effort to prevent waterfowl depredations. p. D520
7. FOREIGN AID. The Foreign Affairs Committee ordered reported H. R. 11356, to extend the Mutual Security Program. p. D520
8. FORESTRY. Rep. Laird indicated that he had received support for his bill H. R. 10794, to provide for an annual report on the administration of national forests from conservation groups, and submitted a proposed amendment to his bill to require in the annual report, information on the need for reforestation. p. 7968
9. MINING. The Interior and Insular Affairs Committee reported with amendment H. R. 6501, to permit the disposal of certain reserve mineral deposits under the U. S. mining laws (H. Rept. 2198). p. 7970
10. PERSONNEL. Agreed to the conference report on H. R. 5862, to provide jurisdiction of U. S. district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation. p. 7969 This bill is now ready for the President.
11. POSTAL SERVICE. The Post Office and Civil Service Committee ordered reported H. R. 11380, to readjust postal rates. p. D521
12. APPROPRIATIONS. The Committee report (see Digest 83) on H. R. 11319, the public works appropriation bill for 1957, includes the following statements:

SOUTHWESTERN POWER ADMINISTRATION

"The bill includes language providing for the use of \$6,400,000 of receipts from the sale of power for the purchase of firming energy, the rental of facilities, and the payment of wheeling charges.

"During the course of the hearings, the Committee explored extensively the possibility of service to additional preference customers, both through direct sales and through the integration of generation and distribution facilities of the potential additional customers with those of the Southwestern Power Administration. During the course of the hearings last year the Administrator used as an argument against re-implementing the original integration contracts with certain of the generating and transmission cooperatives, the hypothesis that it would take years to properly load the SPA system with additional firm power customers so that it could operate at a proper income level. These arguments failed, and this year it has become convenient for him to argue that there are now more customers than can be served, in order to

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HIGHLIGHTS: House committee reported bill to increase CCC borrowing authority. Conferees received permission to file report on USDA appropriation bill by Fri. mid-night. Rep. Reece defended CCC cheese transactions and administration's action in raising price supports for dairy products. House committee reported bill to authorize use of CCC grain for feeding wild birds. Senate passed bill to extend housing program. Senate passed bill to stabilize fishery industry. Senate committee reported general government matters and independent offices appropriation bills. Rep. Hope introduced bill to increase Public Law 480 authorization.

HOUSE

1. COMMODITY CREDIT CORPORATION. The Banking and Currency Committee reported with amendment H. R. 11132, to increase the borrowing authority of CCC (H. Rept. 2211). p. 8000

Rep. Reece defended the actions of CCC in the cheese transactions under investigation by the Government Operations Committee and the actions of the Department in raising the support level for dairy products. p. 7988

The Banking and Currency Committee reported with amendment H. R. 7641, to provide for the use of CCC surplus grains to feed certain wild birds in an effort to prevent waterfowl depredations (H. Rept. 2210). p. 8000

2. APPROPRIATIONS. Conferees on H. R. 11177, the USDA appropriation bill for 1957, received permission to file a conference report by Fri. midnight. p. 7975

3. PRICE SUPPORTS. Rep. Dixon inserted a newspaper editorial explaining the features of modernized parity and discussed the favorable outlook for farmers predicted in USDA "Agricultural Outlook Digest." p. 7991

4. POSTAL SERVICE. A Subcommittee of the Post Office and Civil Service Committee ordered reported to the full committee, amended, S. 1871, to provide for reimbursement to the Post Office Department for registration fees on Government

mail transmission. p. D530

5. PERSONNEL. Received from the HEW Department a proposed bill "...to include, within the provisions of law providing punishment for killing or assaulting Federal officers on official duty, officers and employees of the Department of Health, Education, and Welfare engaged in enforcing the food and drug or public health laws of the United States"; to the Judiciary Committee. p. 8000
6. MONOPOLY. The Judiciary Committee reported without amendment H. R. 1840, to strengthen the Robinson-Patman Act and amend the antitrust law prohibiting price discrimination (H. Rept. 2202). p. 8000
7. FOREIGN AID. Rep. Richards received permission for the Foreign Affairs Committee to file a report on H. R. 11356, the mutual security bill, by Fri. midnight. p. 7988
8. LEGISLATIVE PROGRAM. Rep. Albert announced the following schedule for next week: Mon., D. C. bills, the Legislative appropriation bill, and the conference report on the USDA appropriation bill; Tues., "undetermined"; Wed., adjourned; Thurs., defense production bill and farm credit bill; and the foreign aid bill is to be considered on June 6. p. 7977
9. ADJOURNED until Mon., May 28. pp. 7977, 7999

SENATE

10. HOUSING LOANS. Passed with amendments S. 3855, to extend the housing program (pp. 8015, 8033, 8043, 8059). A greed to an amendment by Sen. Lehman to extend the veterans housing loan program for 1 year beyond July 25, 1957. (p. 8042). For provisions of interest to this Department, see Digest 81.
11. FISHERIES. Passed with amendments S. 3275, to establish a sound and comprehensive national policy with respect to the development, conservation, and use of fisheries resources, and to create and prescribe the functions of a U. S. Fisheries Commission. p. 8082
12. APPROPRIATIONS. The Appropriations Committee reported with amendments the following bills: p. 8003
H. R. 9536, the general government matters appropriation bill for 1957 (S. Rept. 2042); and
H. R. 9739, the independent offices appropriation bill for 1957 (S. Rept. 2041).
Made H. R. 10721, the State-Justice appropriation bill, its unfinished business to be considered today. p. 8090
13. ROADS. Majority Leader Johnson announced that H. R. 10660, the road bill, would probably be reported today, and taken up on Mon. p. 8090
14. FARM PROGRAM. Sen. Carlson inserted an analysis made by this Department of the new farm bill. p. 8011
15. LIBRARY SERVICES. The Labor and Public Welfare Committee ordered reported without amendment H. R. 2840, to promote the further development of public library services in rural areas. p. D527
16. MILK. The Labor and Public Welfare Committee ordered reported without amendment S. 1614, to revise the definition and standards for certain dry milk solids. p. D527

INCREASING THE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

MAY 24, 1956.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, sub-
mitted the following

R E P O R T

[To accompany H. R. 11132]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 11132) to increase the borrowing power of the Commodity Credit Corporation, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass:

The amendment is as follows:

Strike out section 2, and renumber section 3 as section "2".

PURPOSE OF THE BILL

The purpose of the bill is to increase the borrowing authorization of the Commodity Credit Corporation from \$12 billion to \$14 billion in order to enable the Corporation to carry out its approved programs. Also, section 2 amends penal provisions contained in the CCC Charter Act to make it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency under a program of Commodity Credit Corporation and to reduce from a felony to a misdemeanor certain offenses involving property of a value of \$500 or less.

GENERAL STATEMENT

The Commodity Credit Corporation operates under Federal charter and provides the administrative mechanism through which the United States Department of Agriculture meets the requirements placed on it by law to make price-support on farm commodities available through loans, purchases and other operations. Price-support operations constitute the major activity of the Corporation, but it

also conducts a storage facilities program, a supply and foreign purchase program, a commodity export program, and other activities as authorized or directed by Congress. A full description of the various programs conducted by the Corporation, all of which are within the framework of laws enacted by Congress, is contained in the budget submitted to and approved by Congress each year.

A Board of Directors, appointed by the President and confirmed by the Senate, manages the affairs of the Corporation under the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a Director and Chairman of the Board.

The Corporation utilizes private trade facilities, including banks, cooperatives, commercial warehouses, handlers, and others to the maximum extent practicable in conducting its operations. The greater portion of price-support loans made to producers is initially made by banks pursuant to agreements with Commodity Credit Corporation under which the Corporation obligates itself to purchase notes evidencing such loans at any time on demand or on maturity.

The financial resources available to the Corporation for carrying out its programs consist of its authorized capital stock of \$100 million held by the United States, and its authority to borrow, the total of all amounts borrowed not to exceed \$12 billion at any time. With respect to its borrowing power, the Commodity Credit Corporation Charter Act (15 U. S. C. 714b (i)) requires—

* * * The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

BORROWING AUTHORITY

As of March 31, 1956, the Commodity Credit Corporation had in use \$11.4 billion of its total borrowing power of \$12 billion. Actual borrowings from the United States Treasury amounted to \$10.4 billion and obligations to purchase loans held by lending agencies amounted to \$1 billion. The total amount of borrowing power in use as of March 31, 1956, was \$3 billion greater than the amount in use one year earlier.

Based on the testimony of the Department of Agriculture representatives before this committee, there are three major factors to be considered in connection with an increase in the borrowing power of the Commodity Credit Corporation.

First, it is necessary that the Corporation have sufficient borrowing power to cover its investment in commodity loans and inventories resulting from price-support operations with respect to 1955 and prior crops. As of March 31, 1956, this investment aggregated \$8.7 billion, of which \$3.1 billion represented outstanding loans and \$5.6 billion represented commodity inventories.

Second, it is necessary to have enough additional borrowing power to cover the amount of realized losses and other reimbursable costs incurred by the Corporation but not yet reimbursed by appropriations as provided for by law to be accomplished in the regular appropriation process. As of March 31, 1956, these items totaled \$2.6 billion, of

which \$1.8 billion represented realized losses and \$841 million represented other reimbursable costs, including costs of the International Wheat Agreement (\$149 million), transactions under Public Law 480, which relates to exports of farm commodities (\$676 million), and others totaling \$16 million. Of the total of these items, Commodity Credit Corporation should receive approximately \$1.2 billion in reimbursement about July 1, 1956, but the remainder of \$1.4 billion will continue as a charge against Commodity Credit Corporation borrowing power until after June 30, 1957. This has been taken into consideration in estimating the borrowing power required.

Third, the Corporation must have sufficient borrowing power to cover the additional investment which will result from carrying out existing commitments for price support on 1956 crops. Representatives of the Department pointed out to this committee that any estimates made at this time with respect to the volume of 1956 crop operations are subject to considerable change because of the numerous unpredictable supply and demand factors that determine the use of price support loans and purchases by producers. Once the levels of price support for the crop year have been announced, the Corporation is in a position of having made an open offer to make loans or purchases at the applicable support price on any eligible quantity of the commodity which may be produced in that crop year, and it has no control over the proportion of total crops eligible for support that it may be required to finance through loans or purchases.

The Department representatives testified that the \$2 billion increase in borrowing power requested reflected their best appraisal of the 1956-crop plantings, an assumption that the average yield for each 1956 crop will be the same as for the 1955 crop and that the same percentage of the estimated production will be placed under loan as was placed under price support from the 1955 crops. They emphasized that their estimates did not look beyond the needs for 1956 crops and that an increase of \$2 billion did not include provision for financing the soil bank by the Commodity Credit Corporation as proposed in pending legislation except insofar as the margin of available borrowing power may permit the initiation of the program. Accordingly, it probably will be necessary for this committee to review the situation in the early part of the next session of Congress in the light of conditions as they exist at that time, including legislation that may have been enacted by that time.

When the Department representatives were before this committee in July 1955, they estimated that by June 30, 1956, the Commodity Credit Corporation borrowing power in use would amount to \$10.3 billion. It now appears that the borrowing power in use as of June 30, 1956, will amount to \$11.7 billion, or \$1.4 billion more than was anticipated in July last year. Loans made on 1955 crops were \$700 million more than had been estimated. Loan repayments were \$400 million less than estimated, and purchases were \$150 million more than anticipated. These and other smaller items were the factors which resulted in the fact that the estimate in July 1955 was \$1.4 billion less than the current estimate of borrowing power to be in use as of June 30, 1956.

It is expected that the present borrowing power of \$12 billion will be exhausted in November 1956. It is, therefore, necessary that an increase in the borrowing power be authorized during the present

session since the price support and other operations of the Corporation are conducted within the framework of legislation enacted by the Congress and financial resources must be provided the Corporation to carry out the statutory requirements.

AMENDMENT TO PENAL PROVISIONS

Section 2 of the bill as reported amends subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), in order (1) to make it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency—such as a private bank—under a program of Commodity Credit Corporation and (2) to provide that offenses under such subsection involving property of a value of \$500 or less shall be punishable as a misdemeanor, rather than as a felony as now provided for all such offenses regardless of value of the property. With respect to item (1) the subsection now covers only property owned or held by or mortgaged or pledged to Commodity Credit Corporation.

Enactment of the proposed amendment to the Commodity Credit Corporation Charter Act was recommended to the Congress in a letter dated March 29, 1956, signed by True D. Morse, Acting Secretary of Agriculture, and addressed to the Speaker of the House of Representatives. The letter states that the proposed amendment has been approved by the Department of Justice. Testimony before the committee indicated that the Attorney General has ruled that a theft or conversion of property mortgaged or pledged to secure a loan under a program of Commodity Credit Corporation, which is committed prior to the assignment of the loan indebtedness to the Corporation, is not now punishable as a Federal offense under either the Commodity Credit Corporation Charter Act or any other Federal statute.

Under many of its price-support programs, Commodity Credit Corporation makes loans available to producers through private banks and other financing institutions which operate under lending agency agreements entered into with the Corporation. These private lending agencies use their own funds to make such loans but have an option to assign to the Corporation without recourse, at any time, the notes evidencing such loan indebtedness, together with the loan collateral, and the Corporation is obligated under the lending-agency agreement to purchase such notes at full value. The Corporation, therefore, assumes the financial risk with respect to loans made by such lending agencies and bears the loss in the event of theft or conversion of the loan collateral either before or after assignment of the notes to it. The financial interests of the Federal Government will be better protected and the administration of agricultural price-support programs will be made more effective if the coverage of the Commodity Credit Corporation Charter Act is broadened so as to make the willful theft or conversion of property while mortgaged or pledged to private lending agencies under a program of the Corporation punishable as a Federal offense.

The purpose of the other change made in subsection (c) of section 15 of the Commodity Credit Corporation Charter Act is to reduce from a felony to a misdemeanor offenses involving property of a value of \$500 or less in order to facilitate the prosecution of relatively minor

violations. The social stigma and loss of civil rights that go with conviction of a felony—as distinguished from a misdemeanor—make the obtaining of successful prosecution of such minor offenses more difficult where the law makes provision only for the felony conviction. In most States, for example, a convicted felon loses his right to vote, the right to hold public office, and the right to serve on a jury. Misdemeanors are prosecuted by the simpler procedure of an information prepared by the United States attorney rather than, as in the case of felonies, by a grand-jury indictment. The speedier prosecution made possible by proceeding on an information will contribute to more effective policing of minor criminal violations.

Experience of the Government in the handling of farm storage conversion cases indicates that prosecuting attorneys, courts, and juries are reluctant to convict persons of a felony where the amount involved is relatively small. By reducing these minor violations to a misdemeanor, the prosecution of such cases will be facilitated.

Willful thefts or conversions of loan collateral or property held by or owned by Commodity Credit Corporation of a value in excess of \$500, such as the more serious farm storage conversions, conversions by warehousemen of Commodity Credit Corporation grain, and thefts of substantial quantities of grain from Government-owned grain bins, will continue to be punishable as felonies under the Commodity Credit Corporation Charter Act.

COMMITTEE AMENDMENT

As introduced, the bill contained provisions authorizing the use of CCC stocks of grain to feed waterfowl, in order to reduce crop deprecations by such waterfowl. The committee adopted an amendment striking out these provisions inasmuch as they are incorporated in H. R. 7641, which the committee has ordered favorably reported.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 4 OF THE ACT OF MARCH 8, 1938

BORROWING POWER

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$12,000,000,000]** *\$14,000,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States,

and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchase of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, see. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * *

SEC. 4. GENERAL POWERS.—The Corporation—

* * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$12,000,000,000]** **\$14,000,000,000**. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

* * * * *

SEC. 15. * * *

LARCENY; CONVERSION OF PROPERTY

(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, *or any property mortgaged or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender,* shall, upon conviction thereof, *if such property be of an amount or value in excess of \$500,* be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both, *and, if such property be of an amount or value of \$500 or less,* be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

○

Union Calendar No. 823

84TH CONGRESS
2D SESSION

H. R. 11132

[Report No. 2211]

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1956

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

MAY 24, 1956

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase the borrowing power of the Commodity Credit Corporation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 INCREASE IN BORROWING AUTHORITY

4 SECTION 1. (a) Section 4 (i) of the Commodity Credit
5 Corporation Charter Act, as amended (15 U. S. C. 714b
6 (i)), is amended by striking out "\$12,000,000,000" and
7 inserting in lieu thereof "\$14,000,000,000".

8 (b) Section 4 of the Act of March 8, 1938, relating
9 to the Commodity Credit Corporation, as amended (15

1 U. S. C. 713a-4), is amended by striking out "\$12,000,-
2 000,000" and inserting in lieu thereof "\$14,000,000,000".

3 PREVENTION OF WATERFOWL DEPREDATIONS

4 SEC. 2 (a) For the purpose of preventing crop damage
5 by migratory waterfowl, the Commodity Credit Corporation
6 shall make available to the Secretary of the Interior such
7 wheat, corn, and other grains, acquired through price-support
8 operations and certified by the Commodity Credit Corpora-
9 tion to be available for the purposes of this section or in
10 such condition through spoilage or deterioration as not to be
11 desirable for human consumption, as the Secretary of the
12 Interior shall requisition pursuant to subsection (b) of this
13 section. With respect to any grain thus made available, the
14 Commodity Credit Corporation may pay packaging, trans-
15 porting, handling, and other charges up to the time of deliv-
16 ery to one or more designated locations in each State.

17 (b) Upon a finding by the Secretary of the Interior
18 that any area in the United States is threatened with damage
19 to farmers' crops by migratory waterfowl, whether or not
20 during the open season for such migratory waterfowl, the
21 Secretary of the Interior is hereby authorized and directed
22 to requisition from the Commodity Credit Corporation and
23 to make available to Federal, State, or local governmental
24 bodies or officials, or to private organizations or persons,
25 such grain acquired by the Commodity Credit Corporation

1 through price-support operations in such quantities and sub-
 2 ject to such regulations as the Secretary determines will most
 3 effectively lure migratory waterfowl away from crop depre-
 4 dations and at the same time not expose such migratory
 5 waterfowl to shooting over areas to which the waterfowl
 6 have been lured by such feeding program.

7 ~~(c)~~ With respect to all grain made available pursuant
 8 to subsection ~~(b)~~ of this section, the Commodity Credit Cor-
 9 poration shall be reimbursed by the Secretary of the Interior
 10 for its expenses in packaging and transporting such grain for
 11 the purposes of this section. There are hereby authorized to
 12 be appropriated such sums as may be necessary to reimburse
 13 the Commodity Credit Corporation for its investment in the
 14 grain transferred pursuant to this section.

15 AMENDMENT TO PENAL PROVISIONS

16 SEC. 3 2. Subsection (c) of section 15 of the Commod-
 17 ity Credit Corporation Charter Act, as amended (15 U. S. C.
 18 714m (c)), is amended to read as follows:

19 "LARCENY; CONVERSION OF PROPERTY

20 "(c) Whoever shall willfully steal, conceal, remove, dis-
 21 pose of, or convert to his own use or to that of another any
 22 property owned or held by, or mortgaged or pledged to, the
 23 Corporation, or any property mortgaged or pledged as se-
 24 curity for any promissory note, or other evidence of indebt-
 25 edness, which the Corporation has guaranteed or is obligated

1 to purchase upon tender, shall, upon conviction thereof, if
 2 such property be of an amount or value in excess of \$500, be
 3 punished by a fine of not more than \$10,000 or by imprison-
 4 ment for not more than five years, or both, and, if such prop-
 5 erty be of an amount or value of \$500 or less, be punished
 6 by a fine of not more than \$1,000 or by imprisonment for
 7 not more than one year, or both."

84TH CONGRESS
 2d Session

H. R. 11132

Union Calendar No. 823

[Report No. 2211]

A BILL

To increase the borrowing power of the Com-
 modity Credit Corporation, and for other
 purposes.

By Mr. SPENCE

MAY 9, 1956

Referred to the Committee on Banking and Currency

MAY 24, 1956

Reported with an amendment, committed to the Com-
 mittee of the Whole House on the State of the
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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 21, 1956
For actions of June 20, 1956
84th-2nd, No. 102

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HIGHLIGHTS: House passed farm loan bill. Senate passed bill to improve government budgeting and accounting methods and procedures. Both Houses agreed to conference report on independent offices appropriation bill. Ready for President. Senate committee reported nomination of Hamil to be REA Administrator. Senate committee ordered reported bills to increase CCC borrowing authority, and increase Public Law 480 authorizations.

SENATE

1. BUDGETING; ACCOUNTING. Passed without amendment S. 3897, to improve governmental budgeting and accounting methods and procedures. p. 9671
This bill includes the following provisions:
 - (1) that proposed appropriations shall, to the maximum extent deemed desirable and practicable by the President, be determined on an annual accrued expenditure basis;
 - (2) that requests for appropriations shall be developed, in such manner and at such times as may be determined by the President, from cost-based budgets;
 - (3) that, for purposes of administration and operation, such cost-based budgets shall be used by all departments and their subordinate units;
 - (4) that, as soon as practicable, in accordance with standards prescribed by the Comptroller General, the accounts of each agency shall be maintained on an accrual basis to show resources, liabilities, and costs of operations.
 - (5) that, at the end of each fiscal year, the excess over accrued expenditures of any appropriation or fund made on an annual accrued expenditure basis shall lapse, unless otherwise provided by law, and that the remaining balances shall be merged with any appropriation or fund made for the same general purpose for the ensuing fiscal year.

- (6) that, insofar as is possible,
 - (a) consistency in accounting and budgeting classifications,
 - (b) synchronization between accounting and budget classifications and organizational structure, and
 - (c) support of budget justifications by information on performance and program costs by organizational units.
- (7) that, accounting systems maintained on an accrual basis shall include adequate monetary property accounting records as an integral part of the system.
- (8) that, each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative subdivision for each appropriation or fund affecting such unit.

Passed with amendments H. R. 9593, to simplify accounting and to facilitate the payment of obligations, after substituting the language of S. 3362, a similar bill. S. 3362 was indefinitely postponed. Sen. Kennedy inserted an explanation of the difference between the two bills. p. 9596

2. ROADS. Sen. Johnson stated that the conference report on the road bill may be submitted today. p. 9612
3. MILK. Agreed to the House amendments to S. 1614, to fix a reasonable definition and standard of identity of certain dry milk solids. This bill will now be sent to the President. p. 9612
4. NOMINATIONS. The Agriculture and Forestry Committee reported the nominations of David A. Hamil to be REA Administrator, and Glen A. Boger to be a member of the Farm Credit Board. p. 9611
5. ELECTRIFICATION. Sen. Goldwater compared public power electric rates with those of private power companies. p. 9569
Sen. Lehman inserted newspaper articles reviewing the history of the preference clause in Federal power legislation. p. 9567
6. FOREIGN AFFAIRS. Received from the President the report of the National Advisory Council on international monetary and financial problems. p. 9566
The Foreign Relations Committee reported without amendment S. Res. 285, providing for studies of foreign assistance by the U. S. (S. Rept. 2278). p. 9566
7. RECLAMATION. Passed without amendment H. R. 101, to provide clarifications in contract repayments in irrigation and reclamation projects. This bill will now be sent to the President. pp. 9572, 9573
Agreed to the House amendments to S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak. of the Mo. River Basin project. This bill will now be sent to the President. p. 9599
8. CCC. The Agriculture and Forestry Committee ordered reported with amendment S. 3820, to increase the borrowing authority of the CCC. The "Daily Digest" states that the committee amendment "would increase borrowing power from \$14 billion to \$14.5 billion". p. D652
9. FOREIGN AID. The Agriculture and Forestry Committee ordered reported with amendment S. 3903, to increase the amount authorized to be appropriated for purposes of title I of Public Law 480 to \$3 billion. The "Daily Digest" states that the committee amendment would "make its provisions conform to those of

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

June 25, 1956
June 22, 1956
84th-2nd, No. 104

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Forestry.....15	Soil bank.....13	Wheat.....12
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HIGHLIGHTS: Senate committee reported bills to increase CCC borrowing authority, and to increase Public Law 480 authorizations. Senate passed bill to extend Defense Production Act.

SENATE

1. CCC. The Agriculture and Forestry Committee reported with amendments S. 3820, to increase the borrowing authority of CCC (S. Rept. 2289). p. 9724
2. SURPLUS COMMODITIES. The Agriculture and Forestry Committee reported with amendment S. 3903, to increase the amount authorized for purposes of title I of Public Law 480 to \$3 billion (S. Rept. 2290). p. 9724
3. DEFENSE PRODUCTION. Passed with amendments H. R. 9852, to extend the Defense Production Act for 2 years. pp. 9750, 9751
4. PUBLIC LANDS. Passed without amendment S. 3512, to permit desert land entries on disconnected tracts of lands which, in the case of any one entryman, form a compact unit and do not exceed in the aggregate 320 acres. p. 9785
Passed without amendment S. 3042, to amend the Mineral Leasing Act in order to promote the development of phosphate on the public domain. p. 9785
5. ELECTRIFICATION. Sen. Wiley inserted a Wis. Coop. Electrical Assoc. resolution relating to various aspects of public power. p. 9723
The Interstate and Foreign Commerce Committee reported with amendments

S. 2643, to encourage maximum development of low-cost electric energy from all sources of power, including atomic energy, coal, oil, and natural gas (S. Rept. 2287). p. 9724

6. WATER RESOURCES. Sen. Hruska inserted a Stock Growers Assoc. resolution opposing any attempt to increase the Federal control of water resources, and favoring State control of these resources. p. 9724
7. APPROPRIATIONS. Continued debate on H. R. 10986, the Defense Department appropriation bill for 1957. pp. 9734, 9785
8. EMPLOYEE SECURITY. Sen. Johnston commented on the findings of the Special Subcommittee to investigate the Employee Security Program, and announced that its report was in the final stages of assembly. p. 9750
9. RECLAMATION. Sen. Case entered a motion to reconsider the vote whereby the Senate agreed to the amendments of the House to S. 1622, to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak. of the Mo. River Basin project. The House was requested to return the bill. p. 9751
10. RECESSED until Mon., June 25. p. 9785

ITEMS IN APPENDIX

11. PERSONNEL. Sen. Stennis inserted Asst. Secretary of Defense Burgess' statement before the Senate Appropriations Committee discussing the problem of personnel losses and critical technical needs. p. A4964
12. FARM PROGRAM; RECLAMATION. Sen. Neuberger inserted portions of Elmer McClure's, Oregon State Grange, address stating that "I cannot envision how the present administration's so-called land bank can be of substantial benefit to farmers of the West;" criticizing the President's veto of the certificate plan for wheat; favoring the proposed Hells Canyon and opposing the Pelton Dam. p. A4967
13. SOIL BANK. Rep. Multer inserted a newspaper article, "Benson Switches Confuse Farmers," criticizing this Department's administration of the soil bank program. p. A4968

BILLS APPROVED BY THE PRESIDENT

14. TOBACCO. H. R. 9475, to extend the time for announcing marketing quotas for tobacco, except flue-cured tobacco, to not later than the first day of February each year. Approved June 22, 1956 (Public Law 609, 84th Congress).
15. FORESTRY. S. 2967, to authorize the acquisition of additional lands within the roadless area of the Superior National Forest. Approved June 22, 1956 (Public Law 607, 84th Congress).

PRINTED HEARINGS RECEIVED IN THIS OFFICE

16. LOANS; FOREIGN TRADE. S. 3868, S. 3329, and S. 2256, to extend the Export-Import Bank Act of 1945. Senate Banking and Currency Committee.
17. LABOR STANDARDS. Minimum wages in certain territories, possessions, and oversea area of the U. S. Part II. House Education and Labor Committee.

INCREASING THE BORROWING POWER OF THE
COMMODITY CREDIT CORPORATION

JUNE 22, 1956.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany S. 3820]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill, with the committee amendments, would increase the borrowing authority of the Commodity Credit Corporation from \$12 billion to \$14.5 billion. As of May 31, the Corporation had in use \$11,543,905,150 of its borrowing authority. This consisted of \$10,830,000,000 in borrowings from the Treasury, and \$713,905,150 in obligations to purchase loans held by lending agencies.

Since this bill was introduced the Soil Bank Act was enacted, providing for the use of the Corporation's funds in advance of appropriation until June 30, 1957, to finance operations under that act. Firm estimates as to the effect of the Soil Bank Act on the Corporation's need for borrowing authority are not feasible at this time and the committee therefore recommends amendments to the bill increasing the Corporation's borrowing authority by an additional half billion dollars to \$14.5 billion, which it is believed will carry the Corporation through May of next year when more accurate estimates of needs can be made.

The letter from the Department of Agriculture requesting this legislation is attached.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 4, 1956.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: This Department recommends the enactment of legislation to increase the borrowing authority of the Commodity Credit Corporation from \$12 billion to \$14 billion. There is attached a draft of a bill embodying the necessary amendments to accomplish this increase.

As of March 31, 1956, the Corporation had in use \$11,436 million of its borrowing power. This consisted of \$10,383 million in borrowings from the Treasury and \$1,053 million representing obligations to purchase loans held by lending agencies.

We have estimated the additional requirement of \$2 billion on the basis of the current production outlook and announced support levels for 1956 crops and an assumption that as large a yield will be obtained on each 1956 crop as was obtained on the 1955 crop, and that the percentage of the 1956 crop placed under price-support loans or purchased will be the same as the proportion of the 1955 crop placed under support. The additional requirement thus estimated amounted to \$1,552 million. In our request, however, we have included an additional \$448 million to cover possible developments which cannot now be definitely foreseen.

The possible developments include the following:

(a) Yields may exceed the 1955 levels (for example, the yield of cotton per acre in 1955 was 416 pounds or 75 pounds greater than the record set the previous year).

(b) With larger supplies from past-year's crops in Commodity Credit Corporation inventory, the proportion of the 1956 crop placed under loan or purchased may be greater than for the 1955 crop.

(c) Sales of inventories are estimated to be high, and if actual sales do not materialize to the extent anticipated, more borrowing power would be required.

(d) If soil-bank legislation is enacted which would require Commodity Credit Corporation financing, it would be desirable to have a margin of borrowing power available to at least initiate the program.

There is attached a schedule showing, by months, the estimated borrowing power to be in use.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to Congress for its consideration.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

COMMODITY CREDIT CORPORATION

*Status of statutory borrowing authorization (actual, July 1955 through Mar. 1956;
estimated for remaining months)*

[Millions of dollars]

Month	Fiscal year 1956		Fiscal year 1957	
	In use at end of month	Available for new or expanded activities	In use at end of month	Available for new or expanded activities
July.....	\$8,425	\$1,575	\$10,422	\$1,578
August.....	8,694	¹ 3,306	10,664	1,336
September.....	9,074	2,926	11,131	869
October.....	9,649	2,351	11,707	293
November.....	10,245	1,755	12,274	-274
December.....	10,923	1,077	12,778	-778
January.....	11,353	647	13,162	-1,162
February.....	11,522	478	13,383	-1,383
March.....	11,436	564	13,355	-1,355
April.....	11,584	416	13,453	-1,453
May.....	11,592	408	13,473	-1,473
June.....	11,689	311	13,552	-1,552

¹ Statutory borrowing authorization was increased from \$10.0 billion to \$12.0 billion approved August 11, 1955.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

BORROWING POWER

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$12,000,000,000]** *\$14,500,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights

of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchase of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act. (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

COMMODITY CREDIT CORPORATION CHARTER ACT

* * * * *

SEC. 4. GENERAL POWERS.—The Corporation—

* * * * *

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$12,000,000,000]** \$14,000,000,000. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

* * * * *



Calendar No. 2312

84TH CONGRESS
2D SESSION

S. 3820

[Report No. 2289]

IN THE SENATE OF THE UNITED STATES

MAY 9 (legislative day, MAY 7), 1956

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JUNE 22, 1956

Reported by Mr. ELLENDER, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase the borrowing power of Commodity Credit Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Act approved March 8, 1938 (52 Stat.
4 108), as amended, is amended by striking out "\$12,000,-
5 000,000" and inserting in lieu thereof ~~"\$14,000,000,000."~~
6 "\$14,500,000,000."

7 SEC. 2. Section 4 (i) of the Commodity Credit Corpo-
8 ration Charter Act (62 Stat. 1070), as amended, is amended
9 by striking out "\$12,000,000,000" and inserting in lieu
10 thereof ~~"\$14,000,000,000."~~ "\$14,500,000,000."

Calendar No. 2312

84TH CONGRESS
2D SESSION

S. 3820

[Report No. 2289]

A BILL

To increase the borrowing power of Commodity
Credit Corporation.

By Mr. ELLENDER

MAY 9 (legislative day, MAY 7), 1956

Read twice and referred to the Committee on
Agriculture and Forestry

JUNE 22, 1956

Reported with amendments

June 26, 1954

15. DEFENSE PRODUCTION. Received the conference report on H. R. 9852, to extend the Defense Production Act of 1950 (H. Rept. 2486). pp. 9972, 9975 The conferees deleted the House provision that private individuals appointed to the Executive Reserve would have to file a financial statement in the Federal Register, and expressed approval of continued industrial dispersal.
16. AGRICULTURE Committee reported the following bills: p. 9975
- H. R. 8817, with amendment, to provide for the transfer of certain USDA lands to Corbin, Ky. (H. Rept. 2464).
- H. R. 9339, without amendment, to authorize the exchange of certain lands of the U. S. in Union County, Ga. for lands within the Chattahoochee National Forest, Ga. (H. Rept. 2465).
- H. R. 11873, without amendment, to decrease the Congressional review period of projects under the Watershed Protection and Flood Prevention Act from 45 days to 15 days. (H. Rept. 2470).
- S. 1915, with amendment, to permit the exchange of employees of the USDA and employees of State-local political subdivisions and educational institutions (H. Rept. 2471).
- H. R. 11375, without amendment, to further extend the special school milk program to certain institutions for the care and training of children, whether or not underprivileged (H. Rept. 2472).
- S. 1618, without amendment, to remove the criminal penalty for inadvertent violations of the Federal Seed Act and to prescribe civil penalties for such violations of the Act (H. Rept. 2473).
- H. R. 9333, with amendment, to give to certain consuming processors of cotton the privilege of buying cotton futures contracts in certain cases (H. Rept. 2478).
17. RECLAMATION; ELECTRIFICATION. The Interior and Insular Affairs Committee ordered reported H. R. 4719, to authorize the construction, operation, and maintenance of the Hells Canyon Dam on the Snake River between Idaho and Oregon. p. D686
18. TRANSPORTATION. The Transportation and Communications Subcommittee of the Interstate and Foreign Commerce Committee ordered reported to the full committee H. R. 525, which would amend Sec. 22 of the Interstate Commerce Act by eliminating authorization for handling property free or at reduced rates for the U. S. and transporting persons for the U. S. Government free or at reduced rates. p. D686
19. MARKETING. The "Daily Digest" states that the Rules Committee granted a rule for the consideration of H. R. 4054, to provide a system of mortgage insurance to municipal and other political subdivisions of the States, to be administered by the USDA, for the expansion of public marketing of perishable commodities. p. D688
20. COMMODITY CREDIT CORPORATION. The "Daily Digest" states that the Rules Committee granted a rule for the consideration of H. R. 11132, to increase the borrowing authority of CCC. p. D688
21. LABOR STANDARDS. The Education and Labor Committee reported without amendment H. R. 11799, amending the Fair Labor Standards Act relative to minimum wages in the Samoa, Wake and Guam islands (H. Rept. 2469). p. 9975

ITEMS IN APPENDIX

22. BUDGET; EXPENDITURES. Rep. Hoffman stated that he had always endeavored to bring about greater efficiency and economy in the Government's activities "But that we will never get lower taxes, a balanced budget, until the people accept a share of the responsibility for Federal expenditures." p. A5026
23. RESEARCH; FRUITS. Rep. Vursell inserted a radio broadcast he recently made pointing out the benefits that have been brought to the orangegrowers of the State of Florida, as the result of the work of research scientists in this Department. p. A5027
24. WATER POLLUTION. Rep. Burnside inserted a newspaper article in support of H. R. 9540, to extend and strengthen the Water Pollution Control Act. p. A5028
25. FOREIGN AID. Rep. Bentley inserted a newspaper article, "Foreign Aid's Failures Prove Cut Long Overdue." p. A5044
26. DISTRESSED AREAS. Rep. Price inserted an editorial commending Sen. Douglas and Rep. Gray for their support of the bill which would establish an Area Development Administration to assist distressed areas. p. A5047

BILLS INTRODUCED

27. CONTRACTS. H. R. 11947, by Rep. Cooper and H. R. 11948, by Rep. Reed, to extend and amend the Renegotiation Act of 1951; to Ways and Means Committee.
28. LANDS. H. R. 11950, by Rep. Dawson (by request), to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes; to Government Operations Committee.
29. SOIL BANK. H. R. 11958, by Rep. Poage, to amend the acreage reserve provisions of the Soil Bank Act to permit inclusion of acreage up to 30 days prior to harvest; to Agriculture Committee.
30. WATER. H. R. 11962, by Rep. Steed, to provide for Federal participation and cooperation with States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes; to Public Works Committee.
31. FLAGS. H. R. 11963, by Rep. Tumulty, to amend the law in force with respect to the display and use of the flag of the United States, and for other purposes; to Judiciary Committee.
32. PROPERTY. H. R. 11970, by Rep. Willis, to amend the Internal Revenue Act of 1954 relative to nonrecognition of gain from involuntary conversion of certain real property used for agricultural purposes; to Ways and Means Committee.

PRINTED HEARINGS RECEIVED IN THIS OFFICE

33. COMMODITY EXCHANGES. Futures Trading. Part II. Onions. House Agriculture Committee.
34. FARM PROGRAM. General Farm Legislation. Part II. House Agriculture Committee.

H. R. 525, amends section 22 of the Interstate Commerce Act;

S. 3365, changes requirement for obtaining freight forwarder permits;

S. 1456, amends the Communications Act relating to interlocking directorates; and

S. 3412, to extend war risk insurance for an additional 5 years (aviation).

REFRIGERATORS

Committee on Interstate and Foreign Commerce: Special subcommittee ordered favorably reported to the full committee a clean bill, H. R. 11969, which requires safety closing devices on refrigerators shipped in interstate commerce.

STATES RIGHTS—SWINDLE

Committee on the Judiciary: In executive session ordered the following bills favorably reported to the House:

H. R. 3 (amended), to establish rules of interpretation governing questions of the effects of acts of Congress on State laws; and

S. 997, to provide punishment for certain confidence-game swindles.

PAY EQUITY—HOMICIDES

Committee on the Judiciary: In executive session ordered the following bills favorably reported to the House:

H. R. 5888, to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation; and

H. R. 6997 (amended), to include persons engaged in carrying out the provisions of labor laws of the United States within the provisions of sections 111 and 1114 of title 18 of the U. S. Code, relating to assaults and homicides.

PUERTO RICO—COPYRIGHTS

Committee on the Judiciary: In executive session ordered the following bills favorably reported to the House:

H. R. 9038 (amended), to provide that the Commonwealth of Puerto Rico shall be treated as a State for purposes of district court jurisdiction based on diversity of citizenship; and

H. R. 6716 (amended), to amend title 28 of the U. S. Code relating to actions for infringements of copyrights by the United States.

WAR RISK BENEFITS—LOANS

Committee on the Judiciary: In executive session ordered the following bills favorably reported to the House:

H. R. 11802, extending war risk hazard and detention benefits;

H. R. 10111 (amended), to include certain savings and loan associations within provisions of U. S. Code; and

S. 220, relating to claims involving Elephant Butte Dam on the Rio Grande.

FISHERIES—WILDLIFE REFUGE

Committee on Merchant Marine and Fisheries: Subcommittee on Fisheries and Wildlife Conservation held hearing on the following bills: H. R. 11548, to provide for the establishment of a new fish hatchery in the vicinity of Paint Bank, Va., and heard Abram V. Tunison, Branch of Game Fish and Hatcheries, Fish and Wildlife Service, Department of the Interior; H. R. 11197, relating to retention in public ownership of certain lands being administered by the Florida Game and Fresh Water Fish Commission; witnesses heard were Representative Sikes; Milton A. Pearl, Office, Chief of Engineers, Department of the Army; Dr. O. Lloyd Meehan, Assistant Director, Fish and Wildlife Service, Interior Department; C. R. Gutermuth, Wildlife Management Institute; H. R. 9665, to provide for the offer of a certain portion of the Wichita Mountains Wildlife Refuge for use as a part of the Fort Sill Military Reservation, Okla., and heard Representatives Ikard, Wickersham, and Lt. Col. Wendell Knowles, Office of Deputy Chief of Staff for Military Operations.

FEDERAL RETIREMENT

Committee on Post Office and Civil Service: Held hearing on S. 2875, to increase retirement benefits for Federal workers. The following representatives of employee organizations were heard: James Campbell, president, American Federation of Government Employees; Joseph Thomas, president, United National Association of Post Office Clerks; Paul A. Nagle, president-elect, National Postal Transport Association; Charles E. Puskar, secretary-treasurer, National Association of Postmasters; Alfred F. Beiter, president, National Custom Service Association; L. E. Lopez, assistant to the president, district 44, International Association of Machinists. A statement for the record was submitted by Thomas C. Gibney, president, U. S. Immigration Naturalization Officers' Association. Representative Reece was heard in behalf of Representative Rogers of Massachusetts on H. R. 2090, to include certain service performed for Members of Congress as annuitable service under the Civil Service Retirement Act of May 29, 1930.

RIVER AND HARBOR PROJECTS

Committee on Public Works: Subcommittee on Rivers and Harbors approved certain survey items and the following projects for consideration in the omnibus river and harbor bill:

Illinois Waterway and Grand Calumet River, Ill. and Ind. (limited authorization);

Salem Harbor, Mass.;

Upper Fox River, Wis.;
 Minnesota River (channel maintenance), Minn.;
 Mississippi River at Chain of Rocks, Alton, Ill.;
 Houston ship channel (regarding 5-mile cut), Texas;
 and
 Baltimore Harbor, Md.

The following committee resolutions were also approved: Tennessee-Tombigbee Waterway, Ala. and Tenn., regarding the Mobile River, Mobile, Ala.; and the Tred Avon River, Md. Sponsors of the projects and representatives of the Corps of Engineers were heard as witnesses.

SCHOOL CONSTRUCTION

Committee on Rules: Granted an open rule with 2 hours of debate on H. R. 11695, to extend until June 30, 1958, the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provision of Public Laws 815 and 874, 81st Congress, respectively. Supporting witnesses were Representatives Barden, Perkins, Rhodes of Arizona, Bailey, and Frelinghuysen.

AGRICULTURE

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 4054, relating to the marketing of perishable agricultural commodities. Witnesses heard were Representatives Cooley, Hope, proponents; Representative King of Pennsylvania, opponent.

COMMITTEE MEETINGS FOR WEDNESDAY, JUNE 27

(All meetings are open unless otherwise designated)

Senate

Committee on Armed Services, Special Subcommittee on Air Force, to hear Secretary of Navy Thomas, 10 a. m., 212 Senate Office Building.

Committee on Banking and Currency, Subcommittee on International Finance, on nomination of Andrew N. Overby to be U. S. Executive Director of International Bank for Reconstruction and Development, 10:30 a. m., 301 Senate Office Building.

Committee on Finance, on section 2 of H. R. 6040, Customs Simplification Act, 10 a. m., 312 Senate Office Building.

Committee on Government Operations, Subcommittee on Reorganization, on S. Res. 291, disapproving Reorganization Plan No. 2, designed to provide Federal Savings and Loan Insurance Corporation with its own management, independent of the Federal Home Loan Bank Board, 10 a. m., room P-63, Capitol; Permanent Subcommittee on Investigations, on Communist interrogation, indoctrination, and exploitation of military and civilian prisoners, 10 a. m., 357 Senate Office Building.

Committee on Interior and Insular Affairs, Subcommittee on Irrigation and Reclamation, on several bills relating to reclamation projects (S. 3594, 3728, 3227, 2918, 3957, and 2601), 10 a. m., 224 Senate Office Building.

Committee on Interstate and Foreign Commerce, on H. R. 11402, extend Temporary Promotion Act to Coast Guard, followed by executive on committee business, 11 a. m., room G-16, Capitol.

CCC

Committee on Rules: Granted an open rule with 2 hours of debate on H. R. 11132, increasing borrowing power of Commodity Credit Corp. Supporting witnesses were Representatives Spence, Talle.

ALCOHOL ON AIRLINES

Committee on Rules: Granted an open rule with 1 hour debate on H. R. 8000, prohibiting serving of alcoholic beverages to airline passengers. Supporting witnesses were Representatives Priest and Williams of Mississippi.

MILITARY

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 11683, to authorize permanent appointments in the Armed Forces of the United States. Representative Kilday was heard in support of the rule.

Joint Committee Meetings

CIA

Joint Committee on Atomic Energy: Committee met in executive session to hear CIA Director Allen Dulles discuss matters pertaining to his department.

CIVILIAN ATOMIC POWER PROGRAM

Joint Committee on Atomic Energy: Committee met in executive session with Chairman Lewis L. Strauss, and members Willard F. Libby, Harold S. Vance, and Thomas E. Murray, all of the AEC, to consider a proposal to accelerate the civilian atomic power program. Committee will meet again tomorrow.

Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, on S. 11 and H. R. 1840, to amend Robinson-Patman Act re equality of opportunity, and S. 780, pricing practices, 10 a. m., 424 Senate Office Building; Subcommittee on Antitrust and Monopoly, on meat-packing industry, 9:30 a. m., 155 Senate Office Building; Internal Security Subcommittee, on Government employees loyalty program (S. 4047, 4050, and 4051), 10:30 a. m., 318 Senate Office Building; full committee, on proposed civil-rights legislation, 2:30 p. m., 424 Senate Office Building.

Committee on Labor and Public Welfare, Veterans' Subcommittee, executive, on bills extending the VA guaranteed-loan program (S. 302, 740, 3602, 3639, 3977, H. R. 9260), 10 a. m., room F-82, Capitol.

Committee on Post Office and Civil Service, Subcommittee on Retirement, executive, on S. 3725 and 3731, civil-service retirement annuities increase, 10:30 a. m., 135 Senate Office Building.

Committee on Rules and Administration, executive, on committee business, 10 a. m., 104-B Senate Office Building.

Select Committee on Small Business, Subcommittee on Government Procurement, on small-business programs and accomplishments of executive agencies, to hear GAO representatives, 10 a. m., 457 Senate Office Building.

House

Committee on Agriculture, on H. R. 11682 and H. R. 11699, to facilitate the carrying out of agricultural and related programs, 10 a. m., 1310 New House Office Building.

Committee on Armed Services, on H. R. 11386, to establish in the Department of Defense an office of Under Secretary of Defense for International Security Affairs; and H. R. 11575, to

hereafter to the Trinity division, Central Valley project, shall be available for the design and construction of power and hydraulic facilities totaling not to exceed approximately 400,000 kilowatts."

Senate amendment No. 12: Page 13, line 17, insert "All funds expended for construction, operation, and maintenance of the 2,000-second-foot Wahluke siphon, Columbia Basin project, shall be reimbursable, but repayment of those parts thereof and of other expenditures for said project which the Secretary finds properly allocable to irrigable lands located on the Wahluke slope shall be deferred until they are no longer needed in connection with operations of the Atomic Energy Commission and have been irrigated."

Senate amendment No. 16: Page 17, line 24, insert "Provided further, That in view of the physical conditions that developed during construction which increased the cost of land acquisition beyond the legal authority of the city of Grand Forks to provide, the Chief of Engineers is authorized to expend for land acquisition not to exceed the sum of \$100,000 of the amount herein appropriated for the Grand Forks unit of the Red River of the North project."

Senate amendment No. 17: Page 18, line 6, insert "Provided further, That in lieu of protecting the Lewis and Clark Irrigation District, the sum of \$1,935,000 of the funds herein or hereafter appropriated for the Garrison Dam and Reservoir project on the Missouri River shall be available for the purchase of lands and improvements in the Lewis and Clark Irrigation District, and the sum of \$1,196,000 shall be available for the relocation of highways and utilities therein. The substitution of land acquisition for the protection shall be made and the Secretary of the Army shall acquire such land and improvements if all of the landowners, on or before June 30, 1957, have offered to sell their property on terms agreeable to said landowners, and within the amount provided herein for such land acquisition."

Senate amendment No. 18: Page 19, line 19, insert "Provided further, That in lieu of protecting the east bottom of the Buford-Trenton Irrigation District, the sum of \$1,341,891 of the funds herein or hereafter appropriated for the Garrison Dam and Reservoir project on the Missouri River shall be available for the purchase of lands and improvements in and contiguous to the Buford-Trenton Irrigation District, and not to exceed \$2 million shall be available to the Corps of Engineers for protection of the intake structure of the pumping plant in zero bottom and for the construction of bank protection to prevent erosion in the Missouri River adjacent to the Buford-Trenton irrigation project. The substitution of land acquisition for protection shall be made and the Secretary of the Army shall acquire such land and improvements if all of the landowners, except the heirs of Louis Morin, Jr., on or before June 30, 1957, have offered to sell their property on the terms agreeable to said landowners, and within the amount provided for such land acquisition: Provided, That the Chief of Engineers, United States Army, is authorized to acquire by condemnation proceedings, in the appropriate United States district court, the public-domain allotment of Louis Morin, Jr., now deceased, described as the west half southwest quarter, section 16, and the north half southeast quarter, section 17, township 153 north, range 102 west, fifth principal meridian, North Dakota, in connection with the construction and operation of the Garrison Dam and Reservoir: Provided further, That in the event land acquisition is undertaken in lieu of protection of the east bottom, that in recognition of the increased per acre annual operation and maintenance cost of the remaining lands in the Buford-Trenton Irrigation District, the construction charge ob-

ligation assignable to the remaining lands of said district pursuant to the act of October 14, 1940 (54 Stat. 1119), as amended, and the proposed contract between the United States and Buford-Trenton Irrigation District, approved as to form February 23, 1955, shall be nonreimbursable, and the Secretary of the Interior is authorized and directed to enter into a contract with the Buford-Trenton Irrigation District to transfer operation and maintenance responsibility for project works constructed by the Bureau of Reclamation for the benefit of the Buford-Trenton Irrigation District to such district: *Provided further, That not to exceed.*"

Mr. CANNON. Mr. Speaker, these are merely technical disagreements. I move that the House recede from its disagreement to Senate amendments Nos. 4, 5, 10, 11, 12, 16, 17, and 18 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

IMPROVED MARKET FACILITIES FOR PERISHABLE AGRICULTURAL COMMODITIES

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 556, Rept. No. 2489), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4054) to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERMANENT APPOINTMENTS IN THE ARMED FORCES OF THE UNITED STATES

Mr. SMITH of Virginia, from the Committee on Rules reported the following privileged resolution (H. Res. 557, Rept. No. 2490), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11683) to authorize permanent appointments in the Armed Forces of the United States, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute

rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROHIBITING SALE OF ALCOHOLIC BEVERAGES ON AIRPLANES IN FLIGHT

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 558, Rept. No. 2491), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8000) to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TO INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 559, Rept. No. 2492), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11132) to increase the borrowing power of the Commodity Credit Corporation, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FINANCIAL ASSISTANCE IN THE CONSTRUCTION AND OPERATION OF SCHOOLS IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. SMITH of Virginia, from the Committee on Rules, reported the following

privileged resolution (H. Res. 560, Rept. No. 2493), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11695) to extend until June 30, 1958, the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress, and to make certain other changes in such provisions. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1957

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 10986) making appropriations for the Department of Defense for the fiscal year ending June 30, 1957, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, MAHON, SHEPPARD, SIKES, NORRELL, WHITTEN, ANDREWS, RILEY, DEANE, FLOOD, TABER, WIGGLESWORTH, SCRIVNER, FORD, MILLER of Maryland, OSTERTAG, and DAVIS of Wisconsin.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WEL- FARE APPROPRIATION BILL, 1957

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H. R. 9720) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1957, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

(For conference and statement, see proceedings of the House of June 25, 1956.)

Mr. FOGARTY. Mr. Speaker, to the best of my knowledge there is no serious disagreement among the managers on the part of the House regarding the appropriations carried in the conference

report. The report and statement of the managers have both been in print for 2 days and were both printed in the RECORD of proceedings last Monday so I shall not dwell on those items unless there are specific questions.

I regret that there was serious disagreement among the House conferees regarding the eight amendments of the Senate to the National Institutes of Health items. In fact the difference of opinion was so strong that it was not possible to reconcile these differences at the conference and so we have brought them back for a separate vote with no recommendation in the conference report. However, at the proper time I shall offer a motion to recede and concur in each of these amendments.

I would like to explain my reasons for taking the position I am taking on these amendments. Basic to my position is an opinion that I believe is shared by every Member of this House—that finding a cure to any one of these major crippling and killing diseases such as cancer, arthritis, heart diseases, mental diseases, multiple sclerosis, and the others would be worth many times the amount of money carried in either the House or the Senate bill. So, as I see it, the question is just this simple—How much can efficiently and effectively be spent?

It was my opinion that the bill as it was reported by the subcommittee of which I have the honor to be chairman was a good bill for the National Institutes of Health. It represented the work and the carefully studied opinions of seven men who are real friends of the National Institutes and who thought they were providing all the financial support that could be efficiently and effectively utilized. The full committee on Appropriations did not change our figures and neither did the House. The 8 amendments of the Senate increased the House bill a total of \$48,912,000.

Now I would like to go back and review what happened last year because up to this point the actions of the 2 years closely parallel each other. Last year our subcommittee, composed of the same seven members, recommended appropriations for the National Institutes totaling \$89,138,000. We went over the President's budget by a total of \$7,870,000 because we thought that much could be efficiently and effectively spent. As was the case this year, the full Committee on Appropriations and this House supported us all along the line and our recommendation was not changed until the bill went to the Senate where it was increased to \$112,240,000 or an increase of \$23 million over the House bill.

It was my personal opinion, at that time, that the Senate figure last year was much too high and that there was grave danger of doing the program more harm than good by appropriating such a large increase. My personal opinion was backed up by the professional opinion of top doctors at the Institutes and as a result I spent a good many hours, as did the gentleman from New York [Mr. TABER] and other members of our subcommittee, in gathering facts, figures, and expert opinions with which to com-

bat these amendments. We spent many hours in conferences with the Senate. It was almost a month from the time the bill was sent to conference until we were able to get the Senate to most reluctantly agree to give up two-thirds of their increase.

It was only about 2 months after last year's bill was passed that the top doctors at the National Institutes found they had been wrong and had underestimated the amounts that could be wisely used in the field of medical research. Two months after we were battling with the Senate to get them down from \$112 million to \$97.5 million, these doctors were going to the Bureau of the Budget justifying an appropriation of \$126 million for 1957.

To come back to the bill we now have under consideration—when it passed the Senate my first reaction was about the same as last year, that it was much too high and that such a sum of money was more than could be efficiently and effectively spent in view of the limited number of trained people in these fields. Since the Senate passed the bill I have read and reread both the House and Senate hearings and have discussed the matter with leaders in this field both inside and outside the Federal Government. The Senate figures receive enthusiastic support from many of the very eminent men that I have talked with. I have not found one that wishes to be recorded in opposition. Most of these men, naturally, are doctors, and I was concerned that I might be getting a biased point of view, so before we went to conference I asked the Secretary of the Department of Health, Education, and Welfare, Mr. Folsom, for his opinions on the Senate increases. His reply left much to be desired by one interested in getting a straightforward expression of opinion, but it was very clear that he was not convinced that these figures were too high.

I am still not absolutely convinced that the House bill was not the better and wiser bill with respect to the National Institutes, but the more I have studied the matter and the more people I have talked to about it, the more I am convinced that a very reasonable doubt exists. When there is such an obvious possibility of alleviating human suffering and prolonging human life I am in favor of resolving our doubts on the side of optimism regarding our research potential instead of on the side of economy. In view of the preponderance of opinion on the part of eminent medical men whose honesty and motives are above question, that the amount in the Senate bill can be well spent and will hasten the day when we get the answers to these dread diseases, I do not know how anyone can, in good conscience, vote for a lesser amount just for the sake of saving a few of the taxpayers' dollars. I do not think these are the kind of dollars that the taxpayers want saved.

Now, that is all I have to say with regard to my reasons for making the motion to recede and concur in the Senate amendments on the National Institutes of Health items. I do want to mention one other thing just to establish legislative intent, and I want to emphasize

ure necessary to carry out the original understanding.

Mr. MORSE. Mr. President, I certainly have no objection to such an arrangement. I am raising the question only so that the record may show there is quite a difference between water and oil. This being water, we are establishing no precedent for oil. The bill being limited to water, I certainly want the people to have an adequate supply of it.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

USE OF CERTAIN PROPERTY IN VOLUSIA COUNTY, FLA., FOR CIVIL-DEFENSE PURPOSES

The bill (H. R. 5657) to allow the use of certain property in Volusia County, Fla., for civil-defense purposes without payment of compensation to the United States was considered, ordered to a third reading, read the third time, and passed.

RELEASE OF RIGHT, TITLE, AND INTEREST OF THE UNITED STATES IN CERTAIN LAND, MONTGOMERY, W. VA.

The Senate proceeded to consider the bill (S. 976) to provide for the release of the right, title, and interest on parcel of land conditionally granted by the United States to the city of Montgomery, W. Va., which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Army is authorized to modify by appropriate written instrument the exception and reservation to the United States of America in the deed executed by the Secretary of War on December 13, 1938, pursuant to the act of Congress approved June 14, 1938 (52 Stat. 675), of the perpetual right to flood such part of the 8 $\frac{3}{10}$ acres conveyed to the town of Montgomery, W. Va., as may be necessary from time to time in the interests of navigation so as to limit such exception and reservation to the portion of the 8 $\frac{3}{10}$ acres located below elevation 619 feet, mean sea level, and to release by appropriate written instrument to the city of Montgomery, W. Va., such restrictions and conditions imposed by section 2 of said act of June 14, 1938, and included in the deed granted pursuant thereto: *Provided*, That any release by the Secretary of the Army of the restrictions and conditions imposed by section 2 of said act of June 14, 1938, shall be effective only in the event the land described in such act is conveyed to the State of West Virginia within 1 year from the date of enactment of this act on condition that it shall be used for National Guard or other military purposes.

If the State of West Virginia shall cease to use the property for the purpose intended then the title thereto shall immediately revert to the United States and, in addition, all improvements made by the State of West Virginia during its occupancy shall vest in the United States without payment or compensation therefor.

The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the deter-

mination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or for naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of West Virginia, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency, plus 6 months, such property shall revert to the State of West Virginia, together with all appurtenances and utilities belonging or appertaining thereto.

All mineral rights, including gas and oil, in the lands authorized by this act shall be reserved to the United States.

The cost of any surveys necessary as an incidence to the conveyance authorized herein shall be borne by the State of West Virginia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed at this point a statement which I have prepared on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

The purpose of this bill is to authorize and direct the Secretary of the Army to relinquish restrictions placed on approximately 8.3 acres of land in Kanawha County, W. Va., in order that the West Virginia National Guard may construct an armory thereon.

The acreage involved was conditionally conveyed to the town of Montgomery in Kanawha County by the Secretary of War, by deed dated December 13, 1938, with the Government retaining the right to overflow the land whenever necessary in the interest of navigation.

The West Virginia National Guard has a requirement for a site in the vicinity on which to construct an armory and this tract is considered to be the most ideal location. The Department of the Army reports that the requirement which resulted in the retention of the right to flood this area has since been modified sufficiently to allow the land to be utilized for the purposes desired by the National Guard.

The bill contains the usual recapture rights in the event of a national emergency, and provides for the return of the property to the Federal Government if it ceases to be utilized for National Guard or military purposes.

CONVEYANCE OF TRACT OF LAND TO THE STATE OF VIRGINIA

The bill (S. 3404) to direct the Secretary of the Army or his designee to convey an 11 $\frac{1}{4}$ -acre tract of land situated in the vicinity of Williamsburg, Va., to the State of Virginia, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. Mr. President, I have an explanation of the bill—

Mr. MORSE. Mr. President, I think I understand the situation.

The bill would authorize the Secretary of the Army or his designee to convey by quitclaim deed, without consideration, an 11 $\frac{1}{4}$ -acre tract of land situated in the vicinity of Williamsburg to the State of Virginia. This tract is to be used for

training of the Virginia National Guard and for other military purposes. This tract is a part of 9,860 acres acquired by the Department of the Navy in 1942 for the establishment of Camp Peary.

Mr. STENNIS. The Senator is correct. It provides for the return of the property to the Government if it ceases to be used for National Guard or military purposes.

Mr. MORSE. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment on page 4, line 16, after the word "or", where it appears the second time, to strike out "or" and insert "for", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Army or his designee is authorized and directed to convey by quitclaim deed, without consideration, to the State of Virginia, all right, title, and interest of the United States, except as retained in this act, in and to 11 $\frac{1}{4}$ acres of land situated in York County, Va., and being a part of the lands at the Armed Forces Experimental Training Activity, Camp Peary, near Williamsburg, Va. The 11 $\frac{1}{4}$ acre tract of land to be conveyed to the State of Virginia is more particularly described as follows:

Beginning at a point in the southwestern boundary line of the Camp Peary Reservation where the Government's southwestern property line intersects the centerline of Queen's Creek; said point of beginning is also the farthestmost point west that the Government's boundary line traverses the centerline of Queen's Creek; thence from the said point of beginning along the property line of the Government north 41 degrees 58 minutes 20 seconds west 84.14 feet to a concrete monument; thence north 41 degrees 58 minutes 20 seconds west 150.13 feet to a concrete monument in a corner of the Government's southwestern boundary line; thence continuing along the property line of the Government north 51 degrees 15 minutes east 1,374.04 feet to a concrete monument; thence south 35 degrees 04 minutes east, through property of the Government, 2,683.73 feet to the true point of beginning; thence, from said true point of beginning, south 69 degrees 49 minutes east 837 feet to a point on the northwestern right-of-way line of Virginia State Highway Route No. 132; thence southwesterly along said right-of-way line, and on a curve to the right, with a radius of 2,746.79 feet an arc distance of 911.09 feet to a point; thence, continuing along said right-of-way line south 53 degrees 59 minutes west 108.87 feet to a point; thence north 15 degrees 06 minutes west 743.28 feet to a point; thence north 24 degrees 52 minutes east 310.54 feet to the true point of beginning, containing 11.25 acres, more or less, and shown on District Public Works Office, Fifth Naval District, drawing No. 46265, entitled "Camp Peary, Williamsburg, Va."

SEC. 2. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 3. There shall be further reserved to the United States in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with the remaining portion of the lands at the Armed Forces Experimental Training Activity, Camp Peary.

near Williamsburg, Va., rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which now exist, or which may become necessary to any operations of the United States on or in connection with the remaining portion of said lands at the Armed Forces Experimental Training Activity, Camp Peary, near Williamsburg, Va.

SEC. 4. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for training of the National Guard and the Air National Guard and for other military purposes, and that if the State of Virginia shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States, and in addition, all improvements made by the State of Virginia during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 5. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or for naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Virginia, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency, plus 6 months, such property shall revert to the State of Virginia, together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 6. In executing the deed of conveyance authorized by this act, the Secretary of the Army or his designee shall include specific provisions covering the reservations and conditions contained in sections 2, 3, 4, and 5 of this act.

SEC. 7. The cost of any surveys necessary as an incident to the conveyance authorized herein shall be borne by the State of Virginia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF FEDERAL FISH HATCHERY, PITTSFORD, VT.

The bill (S. 3998) to provide for the development of the Federal fish hatchery, known as the Holden trout hatchery at Pittsford, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Secretary of the Interior shall develop, reconstruct, equip, operate, and maintain the Federal fish hatchery, known as the Holden trout hatchery, at Pittsford, Vt., in accordance with the program established by the Fish and Wildlife Service, Department of the Interior, for the improvement of such hatchery.

SEC. 2. There is authorized to be appropriated the sum of \$220,000 to carry out the provisions of this act.

BILL PASSED OVER

The bill (S. 1384) to provide that the Secretary of the Army shall return certain mineral interests in land acquired by

him for flood-control purposes to the former owners of such land, was announced as next in order.

Mr. PURTELL. Over, Mr. President.

Mr. STENNIS. Mr. President, that bill is of such a nature that I think it should be passed to the motion calendar, and I ask that it be passed over with the expectation of asking the majority leader to have the Senate take the bill up at a later time on motion.

The PRESIDING OFFICER. The Chair will advise that the bill will remain upon the Calendar, and that it will be the responsibility of the majority leader and the policy committee to determine when to bring it up for consideration.

Mr. STENNIS. Mr. President, I object to its being considered at this time.

The PRESIDING OFFICER. The bill will be passed over.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The bill (S. 3820) to increase the borrowing power of the Commodity Credit Corporation was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. ELLENDER. Mr. President, this is a bill which seeks to increase the borrowing power of the Commodity Credit Corporation. The Department originally asked for an increase.

Mr. PURTELL. Mr. President, I ask that the bill go over, because it is not a proper bill for calendar business.

Mr. ELLENDER. Mr. President, I express the hope that this bill, as well as the following one, which I assume will go over for the same reason, will be fixed for consideration at an early date. Both the bills are very important.

The PRESIDING OFFICER. The Senator from Louisiana stated that it was his hope that Calendar No. 2312, S. 3820, and Calendar No. 2313, S. 3903, would go over, so that they could be called up on motion at the appropriate time for consideration by the Senate.

Mr. ELLENDER. I would not have any objection to considering the bills now; but since there is objection, I express the hope that arrangements will be made to have the bills considered, so that they can be enacted at an early date.

Mr. PURTELL. I have no particular objection at all to having the bills called up on motion, nor will I have objection to them when they are. But I think the bills are of such a nature that they ought not be passed on the unanimous-consent calendar.

Mr. JOHNSTON of South Carolina. Mr. President, I also urge that the bills be called up on motion in the near future. Both bills came from and were recommended by the Department of Agriculture. The Department needs the money in connection with the soil bank program. For that reason, I hope the consideration of the bills will be expedited as much as possible.

The PRESIDING OFFICER. Objection is heard, and Calendar No. 2312, S. 3820, will be passed over.

BILL PASSED OVER

The bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act, and for other purposes, was announced as next in order.

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. PURTELL. Mr. President, may I inquire what disposition was made of Calendar No. 2311?

The PRESIDING OFFICER. The Chair will advise the Senator from Connecticut that Calendar No. 2311 was passed previously.

TRANSPORTATION OF MAIL BY HIGHWAY POST OFFICE SERVICE

The Senate proceeded to consider the bill (S. 2634) relating to the transportation of mail by highway post-office service, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with amendments, on page 2, line 25, after the word "contract", to insert "Each such contract shall contain a provision providing for its cancellation by the Postmaster General and may provide for an indemnity payment by the Postmaster General in the event of such cancellation.", and on page 4, line 4, after the word "may", to strike out "provide" and insert "contract for", so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Highway Post Office Service Act of 1955."

SEC. 2. The Postmaster General may provide highway post-office service, either by contract or Government-owned motor vehicle, for carrying the mails and postal employees on routes between points where, in his judgment, conditions justify the operation of such service. The motor vehicles shall be especially designed and equipped for the distribution of mail en route and shall be constructed, fitted up, maintained, and operated in accordance with such specifications, rules, and regulations as the Postmaster General may prescribe.

SEC. 3. Contracts for highway post-office service shall be obtained in accordance with section 3709 of the Revised Statutes as amended (41 U. S. C. 5).

SEC. 4. (a) The Postmaster General may make contracts for highway post-office service for terms not to exceed 6 years.

(b) The Postmaster General may make provisions in contracts for highway post-office service for increasing or decreasing the mileage, increasing or decreasing the hours of service required or for other service changes. He may also provide in such contracts for the readjustment of compensation paid thereunder, either upward or downward to reflect such changes, and to reflect increased or decreased costs attributable to changed conditions occurring during the contract term over which the Postmaster General or the contractor have no control and which could not reasonably have been foreseen at the time the original bid was made or the proposal for renewal filed.

(c) Contracts for highway post-office service may provide for the imposition or remission of fines and penalties by the Postmaster General for delinquencies in the performance of the contract. Each such contract shall contain a provision providing for its

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

July 5, 1956
July 3, 1956
84th-2nd, No. 111

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HIGHLIGHTS: Senate passed bills to: Increase Public Law 480 authorization. Increase CCC borrowing authority. Increase Public debt limit. Ready for President. Senate committee ordered reported extension of International Wheat Agreement for 1956. Senate committee ordered reported bill to extend grain-storage facilities amortization period. Sen. Smith, Me., introduced and discussed bill to make surplus cotton available to textile mills at lower prices.

HOUSE

1. EDUCATION; SCHOOL CONSTRUCTION. Continued debate on H. R. 7535, to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms. p. 10622
2. ROADS. Both Houses received from the Commerce Department a proposed bill "to provide for the appointment of a Federal Highway Administrator in the Bureau of Public Roads" and "one additional Assistant Secretary of Commerce" to the Senate Post Office and Civil Service Committee and the House Public Works Committee. pp. 10566, 10674
3. GOVERNMENT SECURITY. The Judiciary Committee reported without amendment H. J. Res. 655, to extend until June 30, 1957, the time for the submission of the final report of the Commission on Government Security (H. Rept. 2582). p. 10674
4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 7435, to authorize construction by the Secretary of the Interior of the Farwell unit, Neb., of the Missouri River Basin project (H. Rept. 2595). p. 10675

5. FOOD AND DRUGS. The Interstate and Foreign Commerce Committee ordered reported H. R. 9547, to amend and simplify certain procedures in hearings relative to the administration of the Federal Food, Drug, and Cosmetic Act. p. D736
6. ADJOURNED until Thurs., July 5. pp. 10614, 10674

SENATE

7. FOREIGN TRADE; SURPLUS COMMODITIES. Passed with amendment S. 3903, to increase the authorization under title I of Public Law 480 from \$1.5 billion to \$3 billion. p. 10585 Agreed to a committee amendment, as amended by an amendment by Sen. Holland, to exempt from the 50-50 cargo preference provision the movement of privately owned or publicly owned fruit and fruit products. (p. 10589).
8. CCC. Passed as reported S. 3820, to increase the borrowing power of CCC from \$12 billion to \$14.5 billion. p. 10599
9. PUBLIC DEBT. Passed without amendment H. R. 11740, providing for a temporary increase in the public debt by \$3 billion. This bill will now be sent to the President. p. 10599
10. WHEAT. The Foreign Relations Committee ordered reported the International Wheat Agreement for 1956. p. D733
11. GRAIN STORAGE. The Finance Committee ordered reported with amendments H. R. 9083, to amend the Internal Revenue Code to extend the period for amortization of grain storage facilities. The "Daily Digest" states that the amendments would "(1) Include context of S. 3993 amended to exempt from transportation of property tax local produce shipments from farm to processing plant, (2) add technical amendment clarifying the effective date of section 1234 of the 1954 code (applying only to options acquired after February 28, 1954), (3) include context of S. 3645, amending section 172 (f) of 1954 code re net operating loss deductions in case of taxable years beginning in 1953 and ending in 1954, and (4) add technical amendment extending until January 1, 1957, the time for involuntary replacement of inventories)". p. D732
12. PERSONNEL. Received from the Health, Education, and Welfare Department a proposed bill "to encourage the extension and improvement of voluntary health prepayment plans or policies"; to the Labor and Public Welfare Committee. p. 10566
Received from the Treasury Department a report on operations in connection with the bonding of Government officers and employees under the act of August 9, 1955; to the Post Office and Civil Service Committee. p. 10566
Sen. Carlson inserted his speech given before the National Civil Service League, and inserted the names of this year's career service award winners. p. 10573
13. ELECTRIFICATION. Sen. Humphrey inserted a local REA co-op resolution in support of preservation of the rural electrification program. p. 10566
14. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 3350 (S. Rept. 2406), and H. R. 3351 (S. Rept. 2408), providing for the sale by the Secretary of the Interior of certain public lands of the U. S. which have not been used for the purpose for which acquired. (p. 10567); and S. 3458, with amendments, to grant leaves of absence to homestead entrymen and to permit suspension of cultivation and improvement operations on homestead and

not surplus. The administration should set one part of the surplus aside and say, "That is what we need for normal requirements, for export needs, and for safe reserves." That is not surplus. That is what we might call normal supply.

I might remind the Department that Government holdings may have no real relationship to what is actually "surplus." A definition of surplus is contained in Public Law 480, and it refers not alone to Government holdings but to the amount in either public or private hands above and beyond normal domestic demand and anticipated export sales.

It is time for our Government to concentrate on developing additional outlets for the real surplus, instead of merely displacing private marketings so it can report increased sales while still letting its own holdings accumulate bigger and bigger because of the displaced private markets.

It is time to draw a line between straight concessional sales for export and real surplus disposal, by deciding just what is surplus and then channeling export sales back into private hands while we get rid of our surplus through other outlets not disrupting normal sales.

While Congress has told the Department of Agriculture it wants the surplus liquidated, it has not told the Department it wants it to grab the entire market away from private hands to the extent that the Government holdings increase rather than decrease despite heavy sales being reported.

We have given the Department the broadest possible authority for barter programs, for participation in relief programs through voluntary agencies, and for use of food to help carry out economic development programs that stimulate and increase consumption and build future markets.

That is where the Department should be concentrating its surplus disposal efforts, instead of just taking away markets from private traders for the sake of big sales to report to the Congress. Those sales mean nothing if they just displace private sales.

What we need quickly is a firm policy encouraging private traders to go into the market and buy from farmers, to fill export orders. If it takes subsidies to do that, let us have the subsidies—we will be better off to pay them directly and gain the double benefits of higher farm prices and a stabilized private trade, than to pay them indirectly through Government losses and along with it get lower farm prices, increased Government holdings, and liquidation of our private marketing system.

If this administration really believes in free markets—if it really believes in preserving the free-enterprise system—now is the time to show it.

I am calling upon the administration to demonstrate a little political courage and sound economic judgment in reexamining marketing practices, the practices of the Commodity Credit Corporation and the policies of the Department of Agriculture in trying to tie in to all this the utilization of great private resources and to strengthen such private resources in private trade channels and thereby make more orderly the market-

ing practices of our Government and of our economy.

Mr. President, I am sorry that I had to take this much time. The chairman of the committee desired to pass the bill quickly, but I wish to say, very frankly, that I represent in part a State which has very deep concern about matters such as this, and I have waited for 3½ or 4 months for the Department of Agriculture to make up its mind what it is going to do. I think it is time that someone literally alerted them to the fact that we are not going to stand idly by much longer. I am hopeful that we will get from the Department statistical evidence of what is in surplus. I do not want surplus to be defined as anything the Department can find throughout the country in terms of production.

I want surplus reports to be made on the basis of the definition in Public Law 480, on the basis of statutory enactments of the Congress. I should like to have from the National Security Council what it believes is the necessary, safe reserve for the security of the Nation.

Mr. President, I am a little bit fed up with listening to and reading comments about surpluses which are not truly surpluses at all, but which have a psychological effect on the market in depressing prices and causing the Government to enter more and more into the grain business.

I am somewhat surprised that the Members the Senate who have been the champions of free enterprise have not recognized what is happening. Frequently small county elevators have had to fight for their rights because of storage policies on the part of the Commodity Credit Corporation. We now often see the big ones in trouble, because no one in America is as big as the Government, and the Department of Agriculture, with loan authority running into billions of dollars—\$12 billion or \$13 billion—makes any other industry look insignificant.

Mr. President, we are going to consider a bill to extend the loan authority of the Commodity Credit Corporation. If we are going to give the Commodity Credit Corporation from \$12 billion to \$13 billion worth of capital, then I say we had better make sure that the policies of government do not literally dry up all our normal enterprise system of distribution and marketing.

I wish some good Republican free-enterpriser would start to defend the free enterprise system for a change and not have to rely on us, who have from time to time been accused of not being friends of free enterprise. I am its friend. I look upon the role of government as a helping hand, not a crushing hand.

I look upon the role of government to be of some supplementary purpose rather than to supplant. I am hopeful that the Department of Agriculture will find the time to look over these remarks. And may I warn them that I shall be back again unless there is something done in terms of policies and practices to correct those which I think are leading to very unjustified and uneconomic procedure.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3903) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 220. An act conferring jurisdiction upon the United States District Court for the District of New Mexico, to hear, determine, and render judgment upon certain claims arising as a result of the construction by the United States of Elephant Butte Dam on the Rio Grande;

S. 449. An act for the relief of George Pantelas;

S. 1178. An act for the relief of Mrs. Sylvia Simonson;

S. 1245. An act for the relief of Agnes V. Walsh, the estate of Margaret T. Denehy, and David Walsh;

S. 1616. An act for the relief of Sumiko Ariumi Bilson;

S. 1798. An act for the relief of Mrs. Charles C. Phillips;

S. 2008. An act for the relief of Winifred A. Hunter;

S. 2169. An act for the relief of M. B. Huggins, Jr.;

S. 2240. An act for the relief of James Richard Hogan;

S. 2244. An act for the relief of Maria Novak;

S. 2352. An act for the relief of Major Luther C. Cox;

S. 2690. An act for the relief of William G. Jackson; and

S. J. Res. 163. Joint resolution granting the status of permanent residence to certain aliens.

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2312, Senate bill 3820.

Mr. O'MAHONEY. Mr. President, before action is taken upon the motion, may I ask the Senator from Nevada if it will be in order for me to take the floor and make a few remarks about the automobile dealers good faith bill, which passed the Senate last week, without interrupting the progress of the Senate unduly?

Mr. BIBLE. Mr. President, I wish my good friend from Wyoming would defer making his remarks, so that the Senate may proceed to the consideration of this bill. The Senator from Louisiana [Mr. ELLENDER] has been standing by all day today and all day yesterday. I understand it will not take very long to dispose of the measure.

Mr. O'MAHONEY. It was because I expected there might be a situation that I asked my question of the Senator, instead of trying to obtain the floor. Of course, I shall defer my remarks.

Mr. BIBLE. I thank the Senator from Wyoming for his indulgence.

Mr. President, I renew my motion that the Senate proceed to the consideration of Calendar No. 2312, Senate bill 3820.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. ELLENDER. Mr. President, this bill was introduced by me at the request of the Department of Agriculture. When it was first referred to the Committee on Agriculture and Forestry, the request provided for an increase in the borrowing power of the Commodity Credit Corporation from the present \$12 billion to \$14 billion. In the meantime, it is estimated that an additional amount of \$500 million may be needed by next spring and this was added by the committee. Therefore, the bill before the Senate today asks for an increase in the borrowing power of the Commodity Credit Corporation to \$14.5 billion.

The primary reason for the Department needing the additional \$500 million is the recent passage of the soil-bank program. As Senators will recall, the financing of the soil bank is to be accomplished, for the first year, by the Commodity Credit Corporation. The Department of Agriculture asked for a \$2 billion increase on the assumption that amount would be necessary to take care of price-support operations—loans and

purchases—for crops now growing. The committee amendment, as I have just indicated, would increase the Corporation's borrowing authority by the additional sum, which we hope will be sufficient to defray the cost of such contracts during the remainder of this year as may be entered into by the Department of Agriculture under the soil-bank program.

As of April 30, 1956, the Corporation had \$11.5 billion of its borrowing authority in use. Of this amount, actual borrowings accounted for \$10.7 billion, and obligations to lending agencies accounted for \$800 million.

Eight billion six hundred million of this \$11.5 billion was covered by the CCC's investments under the price support program, consisting of \$2.6 billion in outstanding loans, and \$6 billion in price-support inventories. The remaining \$2.9 billion represented the net investment of the Corporation in items other than price support, including a realized deficit of \$1.9 billion and accounts receivable from appropriations providing reimbursement for special programs of \$900 million.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of programs financed under Commodity Credit Corporation borrowing authority. The regular programs are price support, the National Wool Act, the special milk program, the emergency feed program, forest facility loans, bin purchases, and others, as indicated in this list.

Among the special activities handled through the Commodity Credit Corporation are the programs for eradication of foot-and-mouth disease, brucellosis, and others, also outlined in this list.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF PROGRAMS FINANCED WITH CCC BORROWING AUTHORITY

REGULAR PROGRAMS

Price support program.
National Wool Act.
Special milk program.
Emergency feed program.
Supply and foreign purchase.
Storage facility loans and bin purchases.
Commodity export.

SPECIAL ACTIVITIES

Loan to Secretary of Agriculture for agricultural conservation purposes.

Advances for eradication of foot-and-mouth disease.

Advances for eradication of brucellosis in cattle.

Advances for cotton classing and tobacco grading.

Transfer of hay and pasture seed to land administering agencies.

International Wheat Agreement.

Commodity grants for emergency assistance to friendly peoples (Public Law 480, title II).

Sales of agricultural commodities for foreign currencies (Public Law 480, title I).

SOIL BANK

Acreage reserve program.

Conservation reserve program.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exhibit indicating the quantity and value of commodities pledged for outstanding loans, commodities in the price-support inventory as of April 30, 1956, and the total investment of CCC as of April 30, 1955.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Quantity and value of commodities pledged for outstanding loans and commodities in price support inventory as of Apr. 30, 1956 and total investment as of Apr. 30, 1955

[All figures in thousands]

Commodity	Unit of measure	Investment as of Apr. 30, 1956 ¹						Total investment as of Apr. 30, 1955 ¹	
		Pledged for loans		In inventory		Total			
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Basic commodities:									
Corn	Bushe1	420, 891	\$651, 397	728, 357	\$1, 275, 107	1, 149, 248	\$1, 926, 504	876, 129	\$1, 436, 526
Cotton, extra long staple	Bale	11	2, 959	72	26, 441	83	29, 400	100	34, 992
Cotton, upland	do	6, 298	1, 017, 017	6, 794	1, 251, 449	13, 092	2, 268, 466	8, 383	1, 439, 272
Peanuts, farmers' stock	Pound	164, 578	18, 849	20, 892	2, 440	185, 470	21, 289	5, 136	535
Rice	Hundredweight	4, 310	22, 584	24, 834	209, 421	29, 144	232, 005	16, 825	98, 434
Tobacco	Pound	886, 570	535, 310	136	57	886, 706	535, 367	807, 125	405, 683
Wheat	Bushel	91, 833	189, 918	976, 407	2, 600, 933	1, 068, 240	2, 790, 851	1, 034, 524	2, 633, 135
Wheat flour ²	Pound							7	1
Total basic commodities			2, 438, 034		5, 365, 848		7, 803, 882		6, 048, 578
Designated nonbasic commodities:									
Honey	Pound	434	46			434	46	100	12
Milk and butterfat:									
Butter	do			74, 962	44, 059	74, 962	44, 059	329, 433	211, 904
Butter oil	do			9, 431	7, 372	9, 431	7, 372	7, 555	6, 969
Cheese	do			286, 557	111, 437	286, 557	111, 437	387, 549	156, 079
Milk, dried	do			178, 524	30, 034	178, 524	30, 034	221, 867	37, 636
Whey	do							60, 924	3, 568
Tung oil	do			13, 286	3, 408	13, 286	3, 408	42, 614	10, 662
Wool	do			119, 903	81, 535	119, 903	81, 535	153, 950	102, 946
Total designated nonbasic commodities		XXX	46		277, 845		277, 891		529, 776
Other nonbasic commodities:									
Barley	Bushel	47, 669	40, 723	43, 591	51, 069	91, 260	91, 792	93, 877	106, 617
Beans, dry edible	Hundredweight	1, 754	11, 220	1, 932	15, 131	3, 686	26, 351	3, 149	23, 080
Cottonseed and products:									
Cotton linters	Pound			310, 384	31, 413	310, 384	31, 413	700, 121	67, 456
Cottonseed meal	do			35	1	35	1	14, 577	375
Cottonseed oil	do			11, 232	1, 785	11, 232	1, 785	373, 923	64, 047
Flaxseed	Bushel	1, 559	4, 498	48	166	1, 607	4, 664	7, 894	24, 955
Grain sorghum	Hundredweight	40, 715	70, 449	22, 940	57, 532	63, 655	127, 981	64, 524	167, 148
Linseed oil	Pound			59, 375	8, 529	59, 375	8, 529	80, 723	14, 000

Footnotes at end of table.

Quantity and value of commodities pledged for outstanding loans and commodities in price support inventory as of Apr. 30, 1956 and total investment as of Apr. 30, 1955—Continued

[All figures in thousands]

Commodity	Unit of measure	Investment as of Apr. 30, 1956 ¹						Total investment as of Apr. 30, 1955 ¹	
		Pledged for loans		In inventory		Total		Quantity	Value
		Quantity	Value	Quantity	Value	Quantity	Value		
Other nonbasic commodities—Continued									
Naval stores:									
Rosin	Pound			274,772	\$21,187	274,772	\$21,187	335,170	\$25,463
Turpentine	Gallon			1,846	1,075	1,846	1,075	2,524	1,408
Oats	Bushel	49,054	\$29,448	35,139	31,002	84,193	60,450	72,445	57,832
Olive oil	Gallon							189	485
Rye	Bushel	7,540	7,940	4,734	5,963	12,274	13,903	8,266	11,832
Seeds, hay and pasture	Pound			8,219	2,274	8,219	2,274	29,575	17,287
Seeds, winter cover crop	do							26,668	3,785
Soybeans	Bushel	9,885	19,878	45	101	9,930	19,979	32,188	70,202
Total other nonbasic commodities			184,156		227,228		411,384		655,977
Exchange commodities: strategic and critical materials					140,308		140,308		27,007
Total			2,622,236		6,011,229		8,633,465		7,261,338

¹ Book value before deduction of reserve for losses.

² Acquired by exchange of price support wheat for disposition under Public Law 480, title II.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exhibit which reconciles the CCC investment in price support and borrowing power in use figures, showing how much money is invested in the price-support program, how much is in cash, and how much is in other assets.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Reconciliation of investment in price-support and borrowing power in use, as of April 30, 1956

[Millions of dollars]

Investment in price support:	
Outstanding loans	2,622.2
Inventories	6,011.2
	<u>8,633.4</u>
Borrowing power in use:	
Borrowings	10,709.0
Obligations to lending agencies	828.5
	<u>11,537.5</u>
Difference to be accounted for	<u>2,904.1</u>
ITEMS REFLECTED IN BORROWING POWER IN USE, NOT IN INVESTMENT IN PRICE SUPPORT	
Investment in:	
Cash	19.8
Loan to Secretary of Agriculture	
Storage facility and equipment loans	34.6
Inventories other than price support	21.8
Accounts and notes receivable	1,125.9
Accrued assets	7.4
Fixed assets	146.6
Other assets	58.7
Realized deficit	1,892.8
	<u>3,307.6</u>
Less: Financing of assets other than by use of borrowing:	
Accounts payable	30.7
Accrued liabilities	165.3
Trust and deposit liabilities	35.7
Other liabilities	70.1
Deferred income	1.7
Capital stock	100.0
	<u>403.5</u>
Net investment in items other than price support	<u>2,904.1</u>

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table of reimbursable items due the Commodity Credit Corporation as of April 30, 1956. The total is \$2,806,183,757, and the various items aggregating this sum are outlined in the exhibit.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation: Reimbursable items due as of Apr. 30, 1956

Eradication of foot-and-mouth disease	\$2,667,471
Eradication of brucellosis in cattle	11,745,451
Cotton classing and tobacco grading	365,722
Transfer of hay and pasture seed	183,345
International Wheat Agreement	158,127,050
Commodity grants for emergency assistance to friendly peoples (Public Law 480, title II)	157,493,818
Sales for foreign currencies	581,358,325
National Wool Act	1,476,521
Subtotal, special activities	<u>913,417,703</u>
Capital impairment:	
Fiscal year 1955	929,287,178
Fiscal year 1956	963,478,876
Subtotal—capital impairment	<u>1,892,766,054</u>
Total	<u>2,806,183,757</u>

NOTE.—The 1957 Agriculture Department and Farm Credit Administration Appropriation Act provides for reimbursement to CCC of \$1,200,136,860.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table indicating the status of the statutory borrowing authorization of the Commodity Credit Corporation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation—status of statutory borrowing authorization, assuming 1955 yield and quantities under price support and reflecting Agricultural Act of 1956 (actual, July 1955 through April 1956; estimated for remaining months)

[Millions of dollars]

Month	Fiscal year 1956		Fiscal year 1957	
	In use at end of month	Available for new or expanded activities	In use at end of month	Available for new or expanded activities
July	8,425	1,575	10,527	1,473
August	8,694	1,306	10,888	1,112
September	9,074	2,926	11,481	519
October	9,649	2,351	12,170	—170
November	10,245	1,755	12,838	—838
December	10,923	1,077	13,474	—1,474
January	11,353	647	13,985	—1,985
February	11,522	478	14,274	—2,274
March	11,436	564	14,293	—2,293
April	11,538	462	14,436	—2,436
May	11,544	456	14,500	—2,500
June	11,694	306	14,637	—2,637

¹ Statutory borrowing authorization was increased from \$10 billion to \$12 billion approved Aug. 11, 1955.

Mr. ELLENDER. Mr. President, the 1957 Department of Agriculture and Farm Credit Administration Appropriation Act provides \$1.2 billion for capital impairment restoration and for the special reimbursable items, to which I have just referred.

The Department's request for this legislation was based upon its estimate, set forth in the table on page 3 of the committee report, that borrowing authority of \$13.5 billion would be needed by the end of June 1957.

I ask unanimous consent that the table on page 3 of the report and also the letter from the Department of Agriculture, asking for the increase in the borrowing capacity of the Commodity Credit Corporation, which appears on page 2 of the committee report, be printed at this point in the RECORD.

There being no objection, the table and letter were ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation—Status of statutory borrowing authorization (actual, July 1955 through March 1956; estimated for remaining months)

[Millions of dollars]

Month	Fiscal year 1956		Fiscal year 1957	
	In use at end of month	Available for new or expanded activities	In use at end of month	Available for new or expanded activities
July.....	8,425	1,575	10,422	1,578
August.....	8,694	13,306	10,664	1,336
September.....	9,074	2,926	11,131	869
October.....	9,649	2,351	11,707	293
November.....	10,245	1,755	12,274	-274
December.....	10,923	1,077	12,778	-778
January.....	11,353	647	13,162	-1,162
February.....	11,522	478	13,383	-1,383
March.....	11,436	564	13,355	-1,355
April.....	11,584	416	13,453	-1,453
May.....	11,592	408	13,473	-1,473
June.....	11,689	311	13,552	-1,552

¹ Statutory borrowing authorization was increased from \$10 billion to \$12 billion approved Aug. 11, 1955.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 4, 1956.
THE PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: This Department recommends the enactment of legislation to increase the borrowing authority of the Commodity Credit Corporation from \$12 billion to \$14 billion. There is attached a draft of a bill embodying the necessary amendments to accomplish this increase.

As of March 31, 1956, the Corporation had in use \$11,436 million of its borrowing power. This consisted of \$10,383 million in borrowings from the Treasury and \$1,053 million representing obligations to purchase loans held by lending agencies.

We have estimated the additional requirement of \$2 billion on the basis of the current production outlook and announced support levels for 1956 crops and an assumption that as large a yield will be obtained on each 1956 crop as was obtained on the 1955 crop, and that the percentage of the 1956 crop placed under price-support loans or purchased will be the same as the proportion of the 1955 crop placed under support. The additional requirement thus estimated amounted to \$1,552 million. In our request, however, we have included an additional \$448 million to cover possible developments which cannot now be definitely foreseen.

The possible developments include the following:

(a) Yields may exceed the 1955 levels (for example, the yield of cotton per acre in 1955 was 416 pounds or 75 pounds greater than the record set the previous year).

(b) With larger supplies from past-year's crops in Commodity Credit Corporation inventory, the proportion of the 1956 crop placed under loan or purchased may be greater than for the 1955 crop.

(c) Sales of inventories are estimated to be high, and if actual sales do not materialize to the extent anticipated, more borrowing power would be required.

(d) If soil-bank legislation is enacted which would require Commodity Credit Corporation financing, it would be desirable to have a margin of borrowing power available to at least initiate the program.

There is attached a schedule showing, by months, the estimated borrowing power to be in use.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to Congress for its consideration.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. Mr. President, since that estimate was made, the Agricultural Act of 1956, providing for the soil bank, has been enacted. While the additional needs under the act are difficult to estimate, the Department of Agriculture has furnished the committee with a later estimate that \$14.6 billion will be needed by the end of June 1957.

The bill, with the committee amendments, does not provide quite that much, but sufficient borrowing authority will be provided to carry the Corporation through the first few months of 1957, until the estimates of additional needs can be determined.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the latest report from the Commodity Credit Corporation indicating the price support commodities as of June 20, 1956, stocks on hand, sales, and other dispositions.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation—Report of price-support commodities as of June 20, 1956, stocks on hand, sales, and other dispositions

[Based on records and known commitments in CSS commodity divisions and offices]

Commodity	Unit	Estimated stocks in merchandising position ¹	Estimated total stocks ²			Sales and other dispositions for the week ended June 20, 1956 ³			
			Quantity	Approximate cost	Total cost	Sales ⁴		Other dispositions ⁵	
						Quantity	Sales proceeds	Quantity	Dollar value
Cotton:		1,000 units	1,000 units	Dollars per unit	1,000 dollars	1,000 units	1,000 dollars	1,000 units	1,000 dollars
Upland.....	Bale.....	4,953	4,953	184.207	912,377	1,568	200,023		
Long staple.....	do.....	39	39	366.500	14,294	.04	12,000		
Linters:									
1st cut.....	do.....	212	222	60.724	16,760				
Mill run.....	do.....	54	54						
Dairy:									
Butter.....	Pound.....		5,914	.588	3,477	2,470	1,489		
Cheese.....	do.....	185,093	195,426	.389	76,021	2,039	798	62	23
Milk, dried.....	do.....	128,620	159,718	.163	26,833	4,448	805		
Grain and feeds:									
Wheat.....	Bushel.....	798,001	917,874	2.664	2,445,216	9,987	16,772	5.0	15
Corn.....	do.....	678,443	695,885	1.751	1,218,495	2,304	3,705	.4	1
Barley.....	do.....	20,941	40,696	1.172	47,696	670	765		
Oats.....	do.....	33,491	45,394	.882	40,038	110	68		
Grain sorghum.....	Hundredweight.....	50,184	54,193	2.508	135,916	428	873		
Rye.....	Bushel.....	5,249	10,020	1.260	12,625	97	111		
Rice:									
Rough.....	Hundredweight.....	11,024	13,094	5.351	70,066	109	166		
Milled.....	do.....	4,905	8,908	12.656	112,740	1,766	11,204		
Oil crops, oils and peanuts:									
Cottonseed oil, refined.....	Pound.....	21	21	.159	3				
Peanuts:									
Farmers' stock.....	do.....					4,445	233		
Shelled.....	do.....					1,995	155		
Tung oil.....	do.....	3,021	3,021	.257	776				
Flaxseed.....	Bushel.....	10	17	3.453	59	3	9		
Soybeans.....	do.....	5	5	2.249	11	.4	1		
Beans, dry edible:									
Baby lima.....	hundredweight.....	106	115	6.630	762	6	17		
Great northern.....	do.....	170	217	7.020	1,523	8	54		
Pinto.....	do.....	375	558	7.690	4,291	27	193		
Small red.....	do.....	214	448	7.070	3,167				
Seeds: Hay and pasture: Fescue.....	Pound.....	5,995	6,358	.277	1,761	100	3		
Naval stores:									
Rosin.....	517-pound drums.....	528	528	39.864	21,048	.1	3		
Turpentine.....	50-gallon barrels.....	37	37	29.116	1,077				

Footnotes at end of table.

Commodity Credit Corporation—Report of price-support commodities as of June 20, 1956, stocks on hand, sales, and other dispositions—
Continued

[Based on records and known commitments in CSS commodity divisions and offices]

Commodity	Unit	Estimated stocks in merchandising position ¹	Estimated total stocks ²			Sales and other dispositions for the week ended June 20, 1956 ³			
			Quantity	Approximate cost	Total cost	Sales ⁴		Other dispositions ⁵	
						Quantity	Sales proceeds	Quantity	Dollar value
Wool:		1,000 units	1,000 units	Dollars per unit	1,000 dollars	1,000 units	1,000 dollars	1,000 units	1,000 dollars
Processed tops and noils.....	Pounds.....	138	138	2.062	285				
Pulled, grease.....	do.....	1,387	1,387	1.114	1,545	259	203		
Pulled, scoured.....	do.....	2,142	2,142	1.464	3,136	78	83		
Shorn, grease.....	do.....	107,186	107,186	.643	68,921	181	80		
Shorn, scoured.....	do.....	29	29	1.653	48	13	11		
Total.....					5,240,967		249,829		39
Cumulative: July 1, 1955, through June 20, 1956 (adjusted).....							1,725,298		286,035

¹ Estimated CCC stocks which are in store and not committed for sale or movement.

² Estimated total stocks owned by CCC, including stocks shown in col. 1, plus commitments to purchase, less commitments to sell. Includes 2,534,717 bales of cotton and 383,623,096 bushels of wheat set aside and limited as to disposition pursuant to Agricultural Act of 1954.

³ Does not necessarily indicate physical delivery of commodities.

⁴ Includes quantities and amounts indicated on contracts, authorizations, agreements, or other documents evidencing transactions under Public Law 480, commercial sales, transfers to ICA, IWA sales, barter transactions (approximate dollar value of commodities exchanged), transfers to sec. 32 and school-lunch program, and similar disposal transactions.

⁵ Includes donations and inventory loss adjustments.

Mr. ELLENDER. Mr. President, I have nothing further to add to my statement.

Mr. ANDERSON. Mr. President, I desire to ask the chairman of the committee a question. Does he not feel that the program of sales which has been instituted might reduce the need for the additional borrowing capacity? I merely point out that some years ago the borrowing capacity was \$4,850,000,000. That was thought to have been a lot of money. Then the borrowing capacity was increased to \$7,850,000,000. We thought that was a lot of money. Then the Department pointed out that it needed to raise the amount \$10 billion. At that time I objected. I think I was the only one who did, but I said, "If you keep raising the debt limit, you will not begin to dispose of the surpluses." The proof of that is in what has happened. Cotton supplies were built up from 1 million bales to 14 million bales. Corn supplies have been doubled; wheat supplies have been doubled; and supplies of rice have been greatly increased. All this has occurred because there is money available to acquire the surpluses.

The purpose of the Commodity Credit Corporation is not simply to accumulate perpetually, but to move some of these commodities. I wonder if the chairman and the committee have considered the possibility that we may move 5 million bales of cotton in the export trade.

Mr. ELLENDER. The evidence which was submitted to the committee indicated a need for this loan authority, and that, of course, is the reason why we are proposing it. I was not present for all of the hearings, but I was informed that the Department had made a good showing for this amount. As the Senator knows, it is merely borrowing authority. It does not mean that it is money that is going to be actually used, unless it is necessary to do so.

Mr. ANDERSON. I am sure the able chairman of the committee knows that I am not in the slightest degree being

critical of the position he has taken on this matter or the position his colleagues on the Committee on Agriculture and Forestry have taken. I have not seen the hearings, if there are hearings. Are there hearings?

Mr. ELLENDER. Yes, sir.

Mr. ANDERSON. Are they printed?

Mr. ELLENDER. No.

Mr. ANDERSON. How is it expected that any of us could look into the question if there are no printed hearings? It is well and good to say "the hearings show," but who sees the hearings?

Mr. ELLENDER. The members of the committee do. I hope the Senator has faith in the committee.

Mr. ANDERSON. I have the fullest faith in the committee. I want the chairman of the committee to know that no one has more faith in the committee than I have. The chairman states that this is merely borrowing authority. We went through that when we increased the authority from \$4½ billion to \$7½ billion. It was stated that this was merely borrowing power, and they did not have to use it. Then it was suggested that the borrowing authority be increased to \$10 billion, and that it was merely borrowing power and they did not have to use it. They did use it. I want to predict that they will use it all if we give them authority.

Mr. ELLENDER. Was the Senator from New Mexico present when I began my remarks?

Mr. ANDERSON. Yes, I was.

Mr. ELLENDER. I stated that there was an amount of half a billion dollars to take care of the financing of the soil bank for the first 6 months of the program.

Mr. ANDERSON. Yes.

Mr. ELLENDER. As the Senator knows, that was provided for in the farm bill which was recently enacted.

Mr. ANDERSON. I grant that. I only say to the able chairman of the committee, who has worked as hard on agricultural problems as has any man

I have ever seen in my life, and who I am sure understands he has not only my good will, but my support, that the Secretary of Agriculture has sold nearly 700,000 bales of cotton up to the coming August 1. Now, he is talking about moving 5 million bales. That runs to \$750 million. That money will go back into the Treasury of the Federal Government. It will provide one-half billion dollars for the soil bank.

I do not intend to oppose the committee. I merely want to say that whenever we have raised the borrowing authority, the money has been used. The money would not be necessary if the Department of Agriculture would only move the products. A problem for the farmer arises whenever there are enormous stocks. They constitute a great threat to the farmer.

I see that my good friend the Senator from Florida [Mr. HOLLAND] is present. His State had enormous surpluses of citrus fruits. They did not say, "Move these into the Treasury. Get trucks and back them into the Treasury and let Uncle Sam pay." They sat down and said, "We will move these surpluses by merchandising methods"; and they got rid of their surplus of citrus fruits, which was the most difficult type of surplus in the history of this country.

I merely want to point out to my good friend, the able chairman of the committee, that the idea upon which this raise is based is that this year yields may exceed 1955 yields. For example, yields for cotton in 1955 were 416 pounds, or 75 more than the record for the previous year.

Did the Department of Agriculture bring out any reports showing what the figure may be for cotton this year?

Mr. ELLENDER. No. I do not believe that the year is sufficiently advanced so that the Department can tell us.

As my good friend from New Mexico knows, the cotton crop of last year was quite large. I think there were almost

2 million more bales produced on the 1 million less acres that were allotted. It undoubtedly will be necessary for the Government to acquire a great deal of the 1955 cotton crop. Our farmers will not be able to dispose of it. That is one of the reasons why the increased borrowing authority is urgently needed.

Mr. ANDERSON. I do not question that. I only want to say to the able chairman of the committee that if we really start to move 5 million bales of cotton the American consumer of cotton may change his attitude toward acquiring cotton. Heretofore he has felt no necessity whatever for going into the market and buying choice cotton, because there was plenty of it under loan. He did not have to advance money. Whenever he needed it, he took it from under the loan. But if we start to move 5 million bales of cotton, as the Secretary is now doing—and I commend him for it; I only wish he had done it before—then automatically the persons who buy cotton for domestic use will go to the market and say, "We had better protect ourselves. Some of the cotton could be gone."

I cannot help but believe that if every effort were made to move cotton under the laws already enacted, we would not need that money.

Mr. ELLENDER. The Senator is familiar with the bill just passed to increase the selling authority under title I of Public Law 480 from one and a half billion to three billion dollars. We are told that it will require almost \$200 million of Commodity Credit Corporation funds to take care of the increased program, because, as the Senate knows, although we will get some of the money back later on, the Commodity Credit Corporation must have the funds in its hands.

Mr. ANDERSON. I point out to the able chairman that when we take a \$200 million loss, inventories are automatically decreased about one and a half billion dollars. We do not take a whole loss on the transaction.

Mr. ELLENDER. The Senator knows that under Public Law 480 we do not sell for United States dollars. The goods are paid for in the currencies of the countries where the goods are sold, and at least 49 percent of that local currency is loaned back to the host government. We have to wait until the next year in order to get appropriations to cover those transactions.

Let me also say to my good friend that \$166 million will be for the increased cost of price supports for cotton, rice, wheat, milk, and butterfat as a result of the administration's actions in raising support prices on those commodities following the President's veto of H. R. 12. That is included in the amount. Also, there will be \$23 million for increased feed grain support prices as a result of the higher price supports provided by the Agricultural Act of 1956.

Mr. ANDERSON. I do not intend to discuss the matter at length, but I see present on the floor the able chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD]. He spends his time trying to hold down the expendi-

tures and hold down Government obligations. We struggle and work hard to try to reduce the debt, which will be attempted in a bill which he is ready to present, by a few billion dollars with one hand, and with the other hand we give it back to the Department of Agriculture and say, "Here are a few billion dollars you may find some use for." It does not make much sense.

That is why I have supported the Senator from Virginia when he has tried to balance expenditures and income. I think we would do well if we said to the Department of Agriculture \$12 billion is enough. You ought to be able to do business with \$12 billion. All you have to do is move the products and get them out of the road.

Once they were moved, the Department could ask for an appropriation to make good the requirements of the Commodity Credit Corporation; but to capitalize the Commodity Credit Corporation to the extent of \$14.5 billion is outrageous.

I say to the Senator from Louisiana, who I am sure, recognizes the fact that I am not saying this in criticism of him in the slightest, that I can recall when a Secretary of Agriculture contemplated less than a half billion dollars worth of commodities and thought he was looking at a tremendously big figure.

Those commodities were scattered all over the earth. They were kept in all sorts of containers, in all sorts of fashions. We thought that was a terrific inventory. After 2 or 3 years of hard work, we reduced that inventory to \$200 million or \$300 million. To see the inventory go back up to \$12 billion or \$14 billion is rather hard medicine to take.

I think the Committee on Agriculture and Forestry would do the farmers of the United States a great service if, some day, it would say to the Commodity Credit Corporation, "You have an obligation to get rid of the surpluses, instead of continuing to accumulate them and letting them wrap around the necks of the American farmers."

It is my guess that the predicted yield of 416 pounds of cotton per acre is not going to be achieved this year. We do not always have perfect weather.

Mr. ELLENDER. Of course, if that occurs, and the yield per acre is less than anticipated, there will not be a need for some of the borrowing authority that is being requested.

Mr. ANDERSON. Oh, yes; they would use it anyway; they say, "We have all this money; and we can just put \$14 billion worth of commodities in storage, and everything is fine."

I say to the Senator from Louisiana that I do not intend to oppose his bill. I only continue to express the hope that some day we may have some other answer than steadily to increase the borrowing power of the Commodity Credit Corporation, and that, instead, some day we will decide to sell these commodities, and not to expand the amounts of them kept in the warehouses.

Mr. ELLENDER. I share the Senator's views in that respect, and fervently hope with him that the peak will be reached very shortly.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The amendments of the Committee on Agriculture and Forestry will be stated.

The first amendment of the Committee on Agriculture and Forestry was, in line 5, after the word "thereof", to strike out "\$14,000,000,000" and insert "\$14,500,000,000."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on the same page, in line 10, after the word "thereof", to strike out "\$14,000,000,000" and insert "\$14,500,000,000."

The amendment was agreed to.

THE PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 3820) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2421, House bill 11740, providing for a temporary increase in the public debt limit; and I respectfully invite the attention of the Senator from Virginia [Mr. BYRD] to the bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11740) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BYRD. Mr. President, the Senate Finance Committee has unanimously reported H. R. 11740, fixing \$278 billion as a temporary limit on the Federal debt during fiscal year 1957, ending June 30, 1957; and I recommend passage of the bill.

The permanent statutory debt limit is \$275 billion. In each of the past 2 years, Congress has passed temporary legislation increasing the limit by \$6 billion. The pending bill would cut the temporary increase in half, to \$3 billion.

In effect, the bill would require a \$3 billion debt reduction and a downward approach to the permanent statutory ceiling. It may be regarded as the first bona fide debt reduction in 26 years.

The debt has been reduced three times before in the 2½ decades; but in each previous instance it was temporary and by inadvertence, not by design. Two of the reductions resulted from contract cancellations following World War II, and the third developed from increasing taxes for the Korean War before the war bills came due.

July 7, 1956

security appropriation bill. p. 10859

5. **MILITARY PUBLIC WORKS; SURPLUS COMMODITIES.** The conferees agreed to file a report on H. R. 9893, which authorizes certain military public works and includes provision for financing some of these works from surplus agricultural commodities. p. D751
6. **FCA AUDIT.** Received from the Comptroller General the report on the audit of FCA for the fiscal year 1955 (H. Doc. 441); to Government Operations Committee. p. 10858
7. **RECLAMATION.** At the request of Rep. Forrester, S. 1622, to authorize the Interior Department to make payment for certain improvements located on public lands in the Rapid Valley unit, S. Dak., of the Missouri River Basin project, was recommitted to conference committee. p. 10856.
8. **ELECTRIFICATION.** The Public Works Committee reported without amendment H. R. 11477, to authorize construction of certain works of improvement in the Niagara River for power and other purposes (H. Rept. 2635). p. 10859
9. **LEGISLATIVE PROGRAM.** Majority Leader McCormack announced that D. C. bills will be considered Mon., to be followed by the mutual security appropriation bill and the supplemental appropriation bill, respectively. He stated that a number of miscellaneous bills will then be taken up, including trip leasing, loans for central markets. Regarding adjournment prospects, he said: "I would say so far as the House is concerned, if we put in an hour or two extra at night, we ought to be able to get through with the necessary program in the House within the next 3 weeks." pp. 10851, 10852.

SENATE - July 6

10. **TAXATION; REAL PROPERTY.** The Government Operations Committee reported without amendment S. 4183, to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property (S. Rept. 2424). p. 10787
11. **RECLAMATION.** Sen. Goldwater inserted a list of organizations which have been working against private development of Hells Canyon. p. 10790
12. **STATES' RIGHTS.** Sen. Stennis commended the Judiciary Committee for reporting S. 3143, to strengthen States' rights. p. 10792
13. **ADJOURNED** until Mon., July 9. p. 10804

BILLS INTRODUCED - July 6

14. **PACKERS AND STOCKYARDS.** S. 4177, by Sen. Watkins, to remove the special anti-trust jurisdiction of the Secretary of Agriculture over packers, contained in the Packers and Stockyards Act, and to restore general jurisdiction over packers to the Federal Trade Commission; to Agriculture and Forestry Committee. Remarks of author, p. 10788.
15. **PERSONNEL.** H. R. 12128, by Rep. Pelly, to establish a system for the classification and compensation of scientific and professional positions in the Government; to Post Office and Civil Service Committee. p. 10859
16. **TRANSPORTATION.** H. J. Res. 675, by Rep. Priest, designating the period Oct.

22 to 27, 1956, as National Transportation Week; to Judiciary Committee.

ITEMS IN APPENDIX - July 6

17. ELECTRIFICATION. Rep. Reed, N. Y., inserted an editorial favoring private development of Niagara power. p. A5311
18. FOREIGN AID. Extension of remarks of Rep. Chipperfield favoring foreign aid. p. A5312
19. EXPENDITURES. Rep. Forand inserted a Knights of Columbus magazine article favoring economy in Government expenditures. p. A5342
20. SURPLUS COMMODITIES; FOREIGN AID. Rep. Martin/Iowa, inserted an article by Alice Widener opposing S. Res. 85 and 86, providing for an international food bank. p. A5316
21. RECLAMATION. Rep. Green, Oreg., inserted a letter favoring the high Hells Canyon dam. p. A5345
She also inserted an AFL-CIO letter favoring the project. p. A5349

HOUSE - July 7

22. COMMODITY CREDIT CORPORATION. Passed with amendment S. 3820, to increase the borrowing authority of CCC. The amendment to S. 3820 consisted of the insertion of the language of H. R. 11132, which had been passed as reported. H. R. 11132 was subsequently laid on the table. pp. 10864, 10895
23. GREAT PLAINS. The Agriculture Committee reported without amendment H. R. 11833, to amend the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938 to provide for a Great Plains conservation program (H. Rept. 2640). p. 10926
24. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Received the conference report on H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of CCC (H. Rept. 2641). pp. 10886, 10926
25. FOREIGN AID. Received the conference report on H. R. 11356, the mutual security authorization bill (H. Rept. 2643). The conference report includes the following provisions: Authorizes appropriation of \$3,927,575,000 to carry forward the mutual security program, which is \$360,100,000 more than the original House bill. Authorizes \$293,000,000 for development assistance instead of \$243,000,000 as contained in the House bill; provides for a single economic development fund for all the countries of Asia, the Middle East, and Africa; provides that 80% of development assistance be on a loan basis, except to the extent that funds are used for financing sales of surplus agricultural commodities under sec. 402 or for regional projects. Increases the House authorization of \$1,400,000 for ocean freight charges on gift packages shipped by voluntary non-profit agencies to \$3,000,000, and eliminates the \$14,000,000 authorization for ocean freight charges on surplus agricultural commodities distributed by voluntary agencies "because provision has been made for paying such expenses out of Commodity Credit Corporation funds, under an amendment to the Agricultural Trade Development and Assistance Act of 1954, which was enacted after the mutual security bill passed the House"; increases the ceiling on U. S. annual contributions to the Food and Agriculture Organization

"(ii) For purposes of this title, every such shareholder shall be deemed to have paid, for his taxable year under clause (1) the tax of 25 percent imposed by subparagraph (A) on the amounts required by this subparagraph to be included in respect of such shares in computing his long-term capital gains for that year, and such shareholder shall be allowed credit or refund, as the case may be, for the tax so deemed to have been paid by him.

"(iii) The adjusted basis of such shares in the hands of the shareholder shall be increased by 75 percent of the amounts required by this subparagraph to be included in computing his long-term capital gains.

"(iv) In the event of such designation the tax imposed by subparagraph (A) shall be paid by the regulated investment company within 30 days after close of its taxable year.

"(v) The earnings and profits of such regulated investment company, and the earnings and profits of any such shareholder which is a corporation, shall be appropriately adjusted in accordance with regulations prescribed by the Secretary or his delegate.

"(b) The amendment made by this section shall apply only with respect to taxable years of regulated investment companies beginning after December 31, 1956."

Amend the title so as to read: "An act to amend sections 5217 (c) and 852 (b) (3) of the Internal Revenue Code of 1954."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred.

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOPER. Mr. Speaker, it will be recalled that this legislation, as it passed the House, would have extended for 3 years the authority of the Secretary of the Treasury with respect to transfers of distilled spirits for purposes necessary to meet the requirements of the national defense.

Section 5217 (a) of the Internal Revenue Code of 1954 authorizes the transfer of distilled spirits between alcohol plants and registered distilleries or internal revenue, or industrial alcohol, bonded warehouses under certain circumstances. Subsection (b) of this section also permits the Secretary of the Treasury or his delegate temporarily to waive the application of any of the internal revenue laws relating to distilled spirits, except those imposing tax under certain circumstances. Under present law the authority of the Secretary or his delegate to permit these transfers, or to waive the application of these internal revenue laws expires as of July 11, 1956.

The Senate acted to amend the House bill to provide for a 2-year extension instead of a 3-year extension. The Senate added another amendment to this legislation relating to regulated investment companies and the tax treatment of distributions by such companies of long-term capital gains from the sale of stock or securities. Under present law a distribution by a regulated investment company of long-term capital gains from the sale of stocks or securities is taxable to the individual shareholders and the distributor company pays no tax. Where

the company does not distribute such long-term capital gains to its shareholders, but withholds them for future investment in other securities, the company is required to pay a long-term capital gains tax of 25 percent. The effect of present law imposes a hardship on the regulated investment company shareholders who, if such long-term capital gains had been distributed to them, would in many cases be taxed at a lower rate than 25 percent. In addition, where the gains are retained by the regulated investment company these gains may be reflected in the value of the company's shares and thus produce a second and duplicate capital gains tax liability whenever the shareholder sells his stock. There are approximately 2,200,000 shareholders of record in these regulated investment companies, and the average individual holding is approximately \$4,000. Thus, these long-term capital gain distributions are likely to be small when distributed among the various shareholders.

The amendment approved by the Senate would change existing law so that a regulated investment company, which does not distribute all or any of its long-term capital gains, is permitted to pay to the Treasury, for the account of the shareholder, the regular long-term capital gains tax of 25 percent on that portion of the long-term capital gains which is not distributed to the shareholders. The shareholder would then be required to include in his return for his taxable year in which the last day of the company's taxable year falls, the amount of such long-term capital gain. If the 25 percent tax paid by the company is greater than the tax the shareholder would have paid if the gain had been distributed to him, he will receive a credit or refund for the excess tax paid. The net effect would be the same as if the company had distributed all the realized long-term capital gain for the year. The taxpayer's cost of his stock would be increased by 75 percent of the gains which remain in the company after payment of the tax.

I have been advised that the Treasury has no objection to this Senate amendment.

(Mr. REED of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED of New York. Mr. Speaker, H. R. 11714 as it passed the House extended for 3 years the existing authority of the Secretary of the Treasury in respect of transfers of distilled spirits for purposes deemed necessary to meet the requirements of the national defense. The other body has amended the bill to limit the extension to 2 years. I have no objection to this amendment. In addition, Mr. Speaker, another amendment was added in the other body relating to the distribution of long-term capital gains by regulated investment companies. This amendment has already been explained in detail. It is my understanding that it has the concurrence of the Treasury Department, and there is no objection on this side to the amendment.

RELIEF OF CERTAIN VETERANS FROM LIABILITY

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1761) an act to relieve certain veterans who relied on an erroneous interpretation of the law from liability to repay a portion of the subsistence allowances which they received under the Servicemen's Readjustment Act of 1944, together with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 20 and 21, strike out "for the payment of any one claim in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MARTIN M. SORENSEN

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1876) for the relief of Martin M. Sorensen, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 1 and 2, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ENSIGN CHARLES A. BINSWANGER

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6190) for the relief of Ensign Charles A. Binswanger, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, strike out "(1)."

Page 2, line 1, strike out all after "1949" down to and including "Maryland" in line 3.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOHN R. HENRY

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9371) for

the relief of John R. Henry, together with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 2, after "wages", insert ": *Provided*, That no part of any amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INCREASING THE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 559 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11132) to increase the borrowing power of the Commodity Credit Corporation, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself such time as I may consume.

Mr. Speaker, House Resolution 559 makes in order the consideration of H. R. 11132, to increase the borrowing power of the Commodity Credit Corporation. The resolution provides for an open rule and 2 hours of general debate on the bill.

The purpose of the bill is to increase the borrowing authorization of the Commodity Credit Corporation from \$12 billion to \$14 billion to enable the Corporation to carry out its approved programs of which price support operations on farm commodities is the major program. The Commodity Credit Corporation also conducts a storage facilities program, a supply and foreign purchase program, and a commodity export program.

According to the committee report, it is expected that the present borrowing power will be exhausted in November of

this year. The Department of Agriculture representatives in their testimony to the Committee on Banking and Currency stated that it was necessary for the Corporation to have sufficient borrowing power to cover its investment in commodity loans and inventories resulting from price-support operations with respect to 1955 and prior crops; to cover the amount of realized losses and other reimbursable costs incurred by the Corporation, but not yet reimbursed by appropriations, and to cover an additional investment which will result from carrying out existing commitments for price supports on 1956 crops.

Section 2 of the original bill was stricken by the committee and section 3 was renumbered section 2. This section provides that willful thefts or conversion of loan collateral on property held by or owned by the Commodity Credit Corporation of a value less than \$500 will be punishable as a misdemeanor rather than as a felony. Experience of the Government indicates that by reducing these minor violations to a misdemeanor, the prosecution of such cases will be facilitated and thus better protect the financial interest of the Government.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no objection to this bill.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SCHOOLS IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 560 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11695) to extend until June 30, 1958, the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress, and to make certain other changes in such provisions. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 560 makes in order the consideration of H. R. 11695, to extend until June 30, 1958, the programs of financial assistance in the construction and operation of schools

in areas affected by Federal activities under the provisions of Public Law 815 and 874 of the 81st Congress. The resolution provides for an open rule and 2 hours of debate on the bill.

The program of military family housing enacted in the first session of this Congress, which authorized the construction of 100,000 military housing units, is the main justification for the extension of Public Law 815 for 2 years. In addition, under the provisions of this bill, the school districts serving the Air Force flight-training installations are made eligible for the benefits of Public Law 815.

The bill contains several amendments to Public Law 815 which would liberalize the eligibility requirements for Federal aid for school districts in the areas affected by Federal activities.

In view of the sale by the Government of many Federal housing projects, an amendment to the act provides that children who resided in Federal housing units will no longer be considered as being federally connected when the property is sold by the United States.

Public Law 874 is extended for 1 year.

One of the principal amendments to this act will eliminate the so-called 3-percent absorption requirement, and eligibility will be determined under the provisions provided in the original law. Provision is also made for the determination of payments on the basis of a count of the children in average daily attendance during the year for which the payment is to be made, rather than on the average daily attendance during the preceding year.

A new minimum local contribution rate is set up in the bill. For the purposes of the act, another amendment provides that Federal housing property will continue to be considered as Federal property for 1 year after the date of the sale of the property to a private owner.

All amendments to the law are to become effective after July 1, 1956.

The total cost of the extension of Public Law 815, including the cost of the amendments, is \$146 million for the 2-year period. The total estimated cost of the extension of Public Law 874 is \$113 million for 1957 and \$119 million for 1958.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no objection to the rule or the bill itself.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, in announcing the program yesterday in connection with bills reported from the Committee on the District of Columbia that will be considered on Monday, I omitted including therein the bill H. R. 4697, to amend the Alcoholic Beverage Control Act of the District of Columbia of 1934. The chairman of the Committee on the District of Columbia wants to have that bill programed for consideration on Monday, so I make the announcement now that that bill will be one of those in order for consideration on Monday next.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

were part of the bill as it was originally presented to the Congress and, therefore, were the subject of consideration during the House Committee's deliberations on the bill. Subsequent to the presentation of the construction program to the House, the dispersal program had matured even further and the Senate committee granted additional authorities in this area by substantial additions at Bergstrom AFB, Texas; Columbus AFB, Mississippi; Grand Forks AFB, North Dakota; and Sheppard AFB, Texas. Amarillo AFB, Texas, had not been the subject of any request for authorization as the program was submitted to the Congress. Dispersal authorization for this base was requested of the Senate Committee and this base was inserted in the bill with an appropriate authorization. Also added by the Senate Committee were dispersal authorizations for Mitchell AFB, South Dakota and Hobbs AFB, New Mexico.

In furtherance of the dispersal program, the conferees added Dublin Air Force Base, Georgia, as an appropriate location in the southeastern part of the United States. The conferees also granted an additional authority for this same purpose at Whiteman AFB, Missouri, a location in the central part of the United States which the conferees felt was also well adapted to this program.

Some of the authorities granted were reduced for various reasons, including revised estimates of costs.

As the bill passed the House, a new Air Defense Command base in northern Michigan was designated to be at Manistee. The Senate version of the bill changed this location to Kalkaska. The Senate receded in this respect and accepted the Manistee location.

Section 301 of the bill contains an authority in the amount of \$37,760,000 for construction at various locations. Some \$16 million of this authorization represents authority for the construction of certain Talos site facilities. The Senate reduced this authority by eliminating the Talos authorization. The Senate receded in this respect, but the conferees agreed that the authorization relating to the Talos facilities should not be used until the Secretary of Defense has come into agreement with the Armed Services Committees of the Senate and House of Representatives with respect to the use of this authority. Behind this action lies the concern which has been expressed over the very large expenditures involved, the relative merits of the two systems, and the proper assignment of roles and missions in both the Nike and Talos programs. It is the understanding of the conferees that the respective merits of these two missiles will be the subject of very detailed studies and tests which will provide guidance to the respective committees in necessary future determinations relating to this important problem.

Under the heading "United States Air Forces in Europe," several internal adjustments were made in the authorization granted. These adjustments, some of which are classified, resulted in a net increase in authorization of slightly over \$17 million. The House receded.

Another example of items which were submitted to the Congress after completion of House action on the bill are contained in an increased authorization of \$70 million under the heading "Aircraft Control and Warning System" in section 301 of the bill. This addition, while large, represents an important segment of our defense against attack and was well supported before the Senate committee. The House, therefore, receded in this instance.

Technological breakthroughs, changes in missions, and development of new weapons sometimes generate immediate construction requirements which could not have been anticipated by the military department concerned. The House conferees agreed with the action taken by the Senate, therefore, in adding an emergency \$50 million author-

ization to section 302 of the bill. No appropriations will be requested against this authorization and it is the understanding of the conferees that funds expended under this authority must be derived from existing authorizations.

Section 303 of both the House bill and the Senate amendment authorize the Secretary of the Air Force to procure the communication services required for the semiautomatic ground environment system, an air defense warning system commonly referred to as SAGE. The House bill provides that the Secretary shall utilize to the fullest extent, the facilities and capabilities of communication carriers, including rural telephone cooperatives, within their respective service areas. The Senate amendment contains the same provision, but adds a similar provision with respect to public utilities and rural electric cooperatives in connection with power supply. The conferees have agreed to the Senate language.

The latest estimate of the Air Force is that the annual cost of leased communications for SAGE will reach a total of \$157 million annually when the system is fully operative. This is a revision downward from the original estimate of \$240 million. In view of the magnitude of the cost involved, the Air Force was asked by the Senate committee whether it has adequate authority in existing law to protect the interests of the Government in connection with the rates for communication services for SAGE. It advised that it does have adequate authority, and it is noted that pursuant to section 201 of the act of June 30, 1949, as amended (40 U. S. C. A. sec. 481), the Department of Defense has already intervened in a pending proceeding before the Federal Communications Commission involving the bulk of the rates for the SAGE project. It is believed that, under these circumstances, the interests of the Government will be more adequately safeguarded.

Under title IV of the bill, General Provisions, the House version authorized the construction of family housing for the Chairman of the Joint Chiefs of Staff and certain commissioned officers and enlisted personnel attached to his staff by the construction or rehabilitation of five sets of family housing, together with certain emergency communication facilities. Appropriations not to exceed \$300,000, available to the military departments for military construction, were to be utilized in connection with this authority. The Senate version of the bill granted an authority relating to this matter which varied from the House language in that only one set of family housing was authorized and that was required to be constructed at Fort McNair, D. C. The Senate version permitted the expenditure of \$180,000, which was specifically divided into \$80,000 for the housing unit and \$100,000 for special communication facilities. Inasmuch as it is possible that some misunderstanding existed as to the exact details of the construction of the housing and the communication facilities, the Senate language was modified by allocating \$100,000 to the construction of the housing unit and \$80,000 to the communication facilities.

Certain modifications were made to section 410 of the bill with the effect that the rescission of previous authorities was made more stringent. An exception was made in this respect for the line of communications in France, since this construction has not progressed with the speed which had been expected.

A new section 417 was added to the bill, which will permit the entrance into leases for terms of not more than 5 years in foreign countries. A study of this matter reveals that substantial savings can be effected by the granting of this authority and the House, therefore, receded. This particular item,

again, was an item which had not matured to the point where it could be presented to the House committee during its hearings on the bill.

Section 418 relates to clearance with the Armed Services Committees of housing constructed by or for the use of military or civilian personnel of the military services. The language of this section was slightly modified to include housing which is acquired as well as constructed. It was further modified to conform the clearance procedure, from the standpoint of language, to other similar laws.

With respect to the section of the bill dealing with the use of modular design and construction, the conferees agreed upon language which provides more flexibility in the use of this important construction device.

As the bill passed the House it contained authority for the acquisition of Wherry housing projects. The Senate struck this authority. The conferees agreed upon language which, while similar to that in the House version of the bill, will approach the problem of Wherry housing acquisition in a more realistic fashion. The conferees would like to reiterate the importance which they attach to the acquisition of Wherry housing because of the great savings which can be effected in this field. The new language appears as section 420 of the bill.

On the floor of the Senate an amendment was agreed to which would authorize payments to landowners, the market value of whose property was decreased as a result of the establishment of military facilities adjacent to their properties. The conferees agreed that this matter presents a problem which finds examples in all parts of the country. It is one which is already the subject of study within the Department of Defense and is one which must be faced and solved. The problem does, however, contain so many elements of as yet undetermined nature, and is so fraught with complexities in individual application, that it is obvious it will require extended study before adequate legislation can be developed. The conferees urge that the Department continue its studies in this field in order that it may make appropriate recommendations to Congress without substantial delay.

As the bill passed the House, the authorities granted in the Army, Navy, and Air Force titles totaled \$1,843,036,000. The corresponding authority granted in the Senate version of the bill totaled \$2,106,611,000, or \$263,575,000 more than the House version. The total agreed to by the conferees for titles I, II, and III is \$2,138,886,000. This latter sum is \$295,850,000 more than the House version and \$32,275,000 more than the Senate version.

PAUL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
L. C. ARENDS (except
as to the Kalkaska - Manistee item),

Managers on the Part of the House.

INCREASING THE BORROWING POWER OF THE COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11132) to increase the borrowing power of the Commodity Credit Corporation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11132, with Mr. WILLIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill would increase the borrowing authority of the Commodity Credit Corporation from \$12 billion to \$14 billion. The Commodity Credit Corporation had used of its available borrowing capacity, as of the 31st of March, \$11,400,000,000. On that date it had authority to borrow \$600 million. It had outstanding in loans \$3,100,000,000. Its inventory in commodities was \$5,600,000,000. So it had at that date assets of \$8,700,000,000. It had realized losses of \$1,800,000,000.

The money which we are authorizing it to borrow will not be a loss. The fund will be used to carry out the Corporation's loan and purchase program.

The farming industry is the most unstable industry of all. When the farmer plants, he does not know what will be his yield. He may plant less and reap more. He may plant more and reap less. When primitive man first learned that he could make the earth yield his food, he came into this great basic industry. Food is life. Without it we cannot exist and without the farmer we would not have food.

It has been said that if you destroy the cities they would all rise again, but if the farms were destroyed grass would grow in the city streets. So it is essential to stabilize this great industry, the first great industry of mankind. It has always been an unstable industry, and that is the justification for the activities of the Commodity Credit Corporation.

The industrialist can produce for the market. He knows what the market will absorb. He knows what will be profitable for him to produce. But the farmer can have no such assurance. He is the victim of the frost, of the drought, of the destructive insects. And if we do not provide an assurance to the farmer of an income he probably will leave the farm. To you of the city I can say there are just two things that might happen. You might not be fed and you might find him in competition for employment with your own people. So you should never make the question that is now presented an issue between the country and the city.

This program has assured the farmer that he will receive a return that will enable him to properly support his family and educate his children. In my own State I can remember when tobacco sold for 7 cents a pound. Under the beneficent program of the Commodity Credit Corporation the tobacco farmer now gets a fair profit for his product. So I say, without going into details as to what the Commodity Credit Corporation has done, that it has rendered a great service to the American people. The immense sum we have authorized, \$12 billion, was essential to stabilize this great industry and to keep it operating as it should for

the benefit of our country and the rest of the world. Of this authorization, \$600 million was not used on March 31, 1956, and in addition thereto there was an aggregate investment of \$8.7 billion. I hope we can pass this bill without amendment. The administration wants it, the farm industry wants it, and I know the people want it because of the great service the Commodity Credit Corporation has rendered in the past and the potential it has for carrying out its program in the future.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. McVEY].

(Mr. McVEY asked and was given permission to revise and extend his remarks.)

Mr. McVEY. Mr. Chairman, the Congress has before it today H. R. 11132, a bill to increase the borrowing power of the Commodity Credit Corporation, and for other purposes. The main feature of this legislation is concerned in section 1, item B, amending the act of March 8, 1938, by striking out \$12 billion and inserting in lieu thereof \$14 billion. This additional amount represents a large sum of money and is needed by the Commodity Credit Corporation to finance the farm program enacted by this Congress.

This agency was originally voted, in October 1933, the sum of \$3 million. Let us look at the increase in the responsibilities of this Corporation in recent years. The Banking and Currency Committee has been called upon to increase the authorization for sums to be used by this agency as follows:

Mar. 8, 1938-----	\$500,000,000
Mar. 4, 1939-----	900,000,000
Aug. 9, 1940-----	1,400,000,000
July 1, 1941-----	2,650,000,000
July 16, 1943-----	3,000,000,000
Apr. 12, 1945-----	4,750,000,000
June 28, 1950-----	6,750,000,000
Mar. 20, 1954-----	8,500,000,000
Aug. 31, 1954-----	10,000,000,000
Aug. 11, 1955-----	12,000,000,000
Apr. 23, 1956-----	14,000,000,000

These amounts of money have been needed by this Corporation to finance the programs of the farm crops enacted at various times by the Congress. When representatives of the Commodity Credit Corporation appeared before the Banking and Currency Committee recently, they stated that the increase to \$14 billion as requested does not include provision for financing the soil bank by the Commodity Credit Corporation as proposed in recent legislation, except insofar as the margin of available borrowing power may permit initiation of the program. At the hearings on this subject, it was further stated by representatives of the Commodity Credit Corporation that the Corporation will have obligations outstanding totaling \$13,552,000,000 by June 30, 1957. Additional authorization is requested, as a margin of safety, in the amount of \$448 million which it is felt is necessary in order to make certain that all responsibilities can be met before the end of the next fiscal year, unless additional funds are required to support the soil-bank program.

The Commodity Credit Corporation has estimated the value of its inventory

of corn, cotton, and wheat as of March 31, 1956, as follows:

Corn-----	\$1,910,615,000
Cotton-----	2,275,499,000
Wheat-----	2,820,523,000

These three crops have been listed because of the rather extensive supply on inventory. The grand total of all commodities reaches the staggering sum of \$8,731,498,000. The storage costs of these inventories amount to \$800,000 per day.

We hear it stated frequently on the floor of the House that the cost of price supports has been a very low figure. It has been mentioned that these supports have cost us an average of about \$1 million per year for the last 20 years. Statements of this character are entirely fallacious. No one can even estimate what the final loss is going to be when these products are finally disposed of—if that event should come to pass. In recent years we have been piling inventory upon inventory and billions upon billions under the assumption by many, that this program has cost the Government very little. The fact that the Commodity Credit Corporation has requested total authorization of \$14 billion should be ample evidence of the fact that the probable loss to be sustained reaches a very large figure.

It is certain that neither the rigid price support nor flexible price supports will solve this situation entirely. It is the belief, however, that the combination of flexible price supports and the soil bank will enable the Government to liquidate most of this inventory and give the farmer once more an opportunity to enjoy the operation of supply and demand. Certainly that is the result which it is firmly hoped will be reached within a reasonable period of time. Anyone who maintains, however, that rigid price supports will solve our surplus problem, is either politically motivated or just does not understand the most elementary principles of economics.

I can see no course for the Congress to follow today but approve the authorization to extend to the Commodity Credit Corporation an additional \$2 billion. Its function is to carry out the will of the Congress, and that body has already passed legislation making further expenditures necessary. Those who favor high rigid price supports have much to ponder over in this situation. The trouble we face today is unquestionably due to the high supports for basic commodities which have been voted by this Congress. The whole situation is alarming and presents a problem for deepest thought and study.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. BOW. The gentleman has pointed out the number of times we have had to increase this loan authorization. Has the gentleman checked the RECORD to see how many times the House has been told that that would be the last time an increase would be requested?

Mr. McVEY. I am sorry I do not have a record of that. Do you have any information on it?

Mr. BOW. I understand each time we were told that we would never be asked again to increase the amount of this loan authority.

Mr. McVEY. I have no recollection of that.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, on October 17, 1933, the Commodity Credit Corporation was created with an initial capital of \$3 million. Through the years it has been my privilege to observe and in some measure assist in the development of this Corporation into the powerful instrument that it is today for assisting the stabilization of American agriculture.

The Commodity Credit Corporation cut its eyeteeth on cotton. In its first 2 years of operation, cotton loans accounted for 76 percent of its total activities. Throughout the years the Commodity Credit Corporation loan and purchase activities in cotton have covered 64½ million bales. That is equivalent to approximately 4½ years production at the present annual rate of approximately 15 million bales per year.

From inception up through April 30, 1956 the price support operations of the Commodity Credit Corporation in cotton have resulted in a net profit to the Corporation of \$179,158,551. Over this period the investment of the Commodity Credit Corporation in price support operations for cotton has aggregated \$8.3 billion. The profit on cotton transactions therefore amounts to 2.2 cents for every dollar of CCC total investment in price support operations in cotton.

From a cotton and corn program at the inception of the Commodity Credit Corporation, price support operations have been expanded beyond the six basic agricultural commodities—corn, cotton, peanuts, rice, tobacco and wheat—to include a wide variety of other farm commodities, the production of which embraces all areas of the country. The total investment of the Corporation in price support operations for all commodities over the life of the Corporation aggregates \$31.8 billion. The loss suffered by the Corporation on its price support operations in the aggregate amounts to only 2.5 cents per dollar of investment for the basic commodities and 9.7 cents per dollar of investment for all commodities, including the basic commodities. Thus when the loss of the Corporation over the years is viewed in the light of the tremendous volume of overall operations, I believe you will agree the price support assistance afforded to agriculture is a small price to pay for insurance of an economy of plenty.

Sometimes our good friends from the urban areas are somewhat critical of the Commodity Credit Corporation losses but I would remind them the figure is only slightly larger than the losses which the Corporation, at the direction of the Congress, suffered on consumer subsidies during the few years of World

War II when such subsidies were in effect.

There are still other ways in which the Corporation over the years has proved to be a useful mechanism of the Congress. It has engaged in procurement of agricultural products to meet the needs of other United States Government agencies, cash-paying foreign governments, and international relief organizations. It has engaged in the purchase abroad of commodities to meet domestic and foreign requirements. It has engaged in emergency feed programs for stricken areas. It has a commodity export program under which it has exported commodities, not in short supply, at competitive world prices. It administers American operations under the International Wheat Agreement. It has engaged in a storage facilities program including the making of loans to farmers for the construction or expansion of farm storage facilities. Put another way, Commodity Credit Corporation has become a most important factor in the farm sector of our economy and it conducts its operations in such a manner as to utilize, to the maximum extent practicable, private trade facilities such as banks, cooperatives, commercial warehouses, handlers, and others.

The bill under consideration would increase the borrowing authority of the Corporation by \$2 billion over the existing authorization of \$12 billion. It is estimated the present borrowing authority will be exhausted by November of this year. An increase is needed in the borrowing authority to enable the Corporation to carry out the statutory requirements placed upon it by the Congress. The \$2 billion increase proposed will enable the Corporation to carry forward its programs.

The bill would make some changes in the penal provisions of the act, one of which would reduce from a felony to a misdemeanor, offenses involving property of a value of \$500 or less in order to facilitate the prosecution of relatively minor violations and thus facilitate the policing of such violations.

Mr. Chairman, I know there are many other Members who will want to add their words of praise and support for the Commodity Credit Corporation and I feel sure this measure will receive the overwhelming support of the Members of this body.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks and include certain tabulations.)

Mr. HESELTON. Mr. Chairman, I did not intend to take any of the time of the Committee today. But I do want to express my opinion briefly of the wisdom of this legislation.

Before doing so, I want to add that I intend to renew the point of order I made, but withdrew some time ago, of no quorum, if we have any repetition of irrelevant speeches while this bill is being considered. I do not propose to stay here this entire Saturday afternoon so that such speeches can be made at the expense of the few of us who are here, and I do not think most of you came here for

that purpose or enjoy that sort of a thing either.

I shall vote against this bill, as I have previously when such increases in borrowing authority for the Commodity Credit Corporation have been before us.

I shall not ask for a rollcall because I concede that a case can be made once again for the necessity of some increase and I realize that a rollcall would be futile and an imposition upon the entire membership of the House. However, I shall attempt to outline my reasons for opposing the suggested increase.

It calls for an increase from the existing authorization of \$12 billion to \$14 billion.

If I recall correctly, this originally started with an authorization in the amount of \$3 million. Over the years it has been increasing steadily. Some thought that when it was raised to \$4,000,500,000 that involved a considerable amount of public credit and money. There was even more concern when it went up to \$7,850,000,000. Then when it reached \$10 billion, at least a few thought that was the limit. But another \$2 billion was added, and we now find a further request for an additional \$2 billion.

In my judgment, it is clearly evident that whoever may be in charge of this program has not started to reduce these gigantic surpluses in any really effective manner and cannot be expected to do so so long as Congress repeatedly yields to requests for further increases. And I refer as an excellent authority for that opinion to a former colleague of ours, who was one of the best Secretaries of Agriculture this country ever had and who is a respected member of the Democratic Party. For the record, in case of any future similar requests for a further increase, I suggest that those who are concerned about this problem of gigantic surpluses look at the CONGRESSIONAL RECORD of July 3, last, beginning at page 10603.

Cotton supplies have been increased from 1 million bales to 14 billion bales; corn supplies have been doubled; wheat supplies have been doubled; supplies of rice have been increased substantially; and anyone who takes the trouble to read the monthly reports of the Commodity Credit Corporation can go on and on indefinitely. I had supposed that we had reached the point where it was recognized that the Commodity Credit Corporation was not a creation of a governmental unit to hoard commodities forever but the main emphasis had been changed in recent years to finding means of disposing of what has been accumulated to the extent of what may not be necessary as a reserve supply. Apparently, I have been in error, at least to some extent. But I do hope that someone connected with the Commodity Credit Corporation will really begin to exert himself to the end that these surplus hoards can be reduced, rather than forever increased.

There is one other point which should be of some concern to any who may be lending themselves to the idea that this country can and will tolerate indefinitely the proposition of producing certain agricultural commodities in excess of de-

mand or reasonable reserve stocks, with the idea that a Government agency must buy and store them. It is my understanding that the storage charge alone amounts to something like \$800,000 a day. To a substantial degree, this is a sheer waste and an open invitation for a revolt on the part of those who are already overburdened with enormous taxes and for other far more important purposes.

There is a contrast as to the recent citrus crops in Florida, California and other parts of the country where those fruits are raised. Those people found themselves with tremendous surpluses but rather than taking the easy way of turning to the Treasury of the United States, they had the spunk and initiative to work together and to develop remarkable merchandizing methods by which they were successful in dealing with their difficult problem.

I realize that someone may well point to aid which has been granted to war industries, to the merchant marine, to the airlines and to scores of others who, undoubtedly, have drawn heavily upon the Treasury of the United States. But I submit that is only begging the question and avoiding the issue. Possibly, even probably, much of that type of Government aid is subject to legitimate criticism, but those who represent so effectively here the production of cotton, wheat, corn, barley, oats, rice, soybeans and other commodities in Government surpluses may be bringing upon themselves the justifiable wrath of the consumers and taxpayers of this country if they insist upon the indefinite continuation of this program, irrespective of justifications that may exist for holding reasonable stocks. I have said before, and I repeat now, that someday these taxpayers and consumers are going to reach the limit of their endurance. When they do, the revolt may be unfortunate but it will be a very real thing. All of us know that the chairman of the committee and others who urge this \$2 billion extension are entirely right in saying that agriculture is an important, an essential and a vital part of our economy. We all want to do everything we can to be of real assistance. But, in my judgment, it is a very poor service to agriculture itself to assume that the taxpayers and the consumers of this country are going to carry this back-breaking burden on indefinitely. If they do not feel that there is a real effort being made to really solve this problem, they can well come in here and demand that all agricultural legislation be wiped off the books. If they do, that will certainly happen. Personally, I would regret that development keenly and, consequently, I hope that what I have tried to say may be of some small value in preventing such a result. But it will take a lot more than passive acceptance of the alleged inevitability of this interminable hoarding of unnecessary agricultural surpluses, and I do hope that some few of our colleagues on our Committee on Agriculture and on our appropriations subcommittee and some persons in a position to take effective action within the Commodity Credit Corporation will recognize what

may face them quite starkly if they let this situation continue. A day of reckoning will come if they do and some folks will wish they had done something to avoid it.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, in view of the statement just made I would like to point out certain pertinent facts in connection with the Commodity Credit Corporation.

In the first place, the gentleman is wrong with regard to citrus and the perishable commodities. The gentleman stated the producers took care of their own surplus. As a matter of fact, Congress has been providing section 32 funds, which means 30 percent of all import taxes collected have been set aside and used to support and export these commodities, such as citrus. Formerly such funds were equally available for basic commodities.

The other thing I want to point out, as I have very many times, is that all during that period when they were accumulating these huge surpluses, the Commodity Credit Corporation did not even have a sales manager. We directed the appointment of one last year. They had no real sales organization nor sales program.

Had the Department sold its commodities, funds received would have been available for financing CCC operations and we would not need to be increasing the borrowing authority of CCC as we are doing today.

While the Department of Agriculture refused to offer our farm commodities in world trade through normal channels at competitive prices for dollars, let us see what happened to CCC inventories.

In December 1952, when Secretary Benson came in, CCC inventories totaled a little over \$1 billion. In December 1955 these holdings had increased to over \$6 billion—and they are still increasing. With respect to a few of the major commodities, the increases are as follows:

[In millions]		
	Dec. 31, 1952	Dec. 31, 1955
Corn.....	\$447.0	\$1,300.0
Cotton, upland.....	32.5	1,437.0
Rice.....	.2	175.9
Wheat.....	352.4	2,399.0
Dairy products.....	8.4	281.3
Nonbasics.....	198.9	270.7

Since, under present law, quantities of commodities in CCC inventories must be considered in determining acreage allotments, these increases have resulted in substantial reduction in crop acreage each year in the United States.

Between 1952 and 1955, total planted acreage has been reduced about 2 percent. Cotton acreage has been cut by nearly 10 million acres, a reduction of over 35 percent. Similarly, wheat acreage has been cut 20 million acres during this period, a decrease of over 25 percent. In 1955 alone, reductions in cotton acreage in the South put 55,000 farmers out of production and off their farms.

INCREASED FOREIGN AGRICULTURAL PRODUCTION

While the United States farmer's acreage has been severely curtailed each

year, agricultural production in other parts of the world has increased in about the same amount as United States production has decreased. While United States commodities have been held off world markets at competitive prices, foreign production has been increased to supplant reductions in United States production. As a result, world supplies have increased despite reduction by United States farmers.

During the 4-year period ending with the crop year 1955, foreign countries increased production of all the basic commodities over 1951 levels. Based on the most recent information available for the crop year 1955, the increase was approximately as follows: Cotton, 5.1 million bales, 28 percent; wheat, 329 million bushels, 6 percent; corn, 403 million bushels, 19 percent; rice, 29 billion pounds, 13 percent; tobacco, 457 million pounds, 9 percent; and peanuts, 1,360,000 tons, 14 percent. These increases are substantial. The increase of 28 percent in cotton production is particularly significant when it is realized that production in the United States declined 16 percent during the past 2 years.

While it is impossible at this time to accurately forecast the world's 1956 crops, such information as is available indicates a further substantial increase over 1955 for at least two of the major basic commodities—cotton and wheat. This increase may possibly be as much as 1.5 million bales of cotton—6 percent—and 440 million bushels of wheat—7 percent. Land devoted to production of these 2 commodities in 1956 is expected to be substantially more than in 1955, nearly 2 million acres for cotton and 15 million acres for wheat. This is in addition to the increase in world production of almost 10 million acres of cotton and 46 million acres of wheat in the past 4 years, during which time United States acreage has been reduced for both commodities.

COMPETITIVE SALES ABROAD

This shifting of American production abroad is largely the result of the failure to keep United States commodities offered competitively in foreign markets. Our committee has been urging the Department for 3 years to sell its commodities in world trade through normal channels for dollars. Until 1954, the Department would not take such action, despite the fact that the CCC Charter Act authorizes and contemplates such sales.

In its report last year, the committee noted again that such authority existed. It pointed out the fact that the CCC, then a \$10 billion corporation, had no sales manager or sales organization. It also concluded that the Department had insufficient information on foreign agriculture to know what other countries were doing to expand production and increase exports.

Accordingly, the committee set aside funds in last year's bill to develop such information and to establish an aggressive sales program in the Department. Congress supported such action and the committee is pleased to note that the Department has taken some action along these lines.

In 1954, the Department offered a few commodities in world trade and sold them for dollars. These included small amounts of peanuts, cottonseed oil, linseed oil, and flaxseed. In 1955, limited amounts of other commodities were added to competitive export sales, including: Butter, dried milk, whey, corn, rice, wheat, barley, grain sorghums, oats, rye, and soybeans. These were all sold for dollars.

On January 1, 1956, for the first time, 1 million bales of short-staple cotton were offered for sale in foreign trade. In the month of January 600,000 bales were sold. By the end of February, the balance was sold. While it was expected that 7 months would be required to complete the sale, the entire amount was sold in 60 days.

I have before me the most recent report on what has happened since the Secretary of Agriculture, finally on January 1, 1956, got around to doing what I have urged, insisted and, through our committee, directed that he do, offer for sale through normal channels for dollars at competitive prices. On July 5, the Department advises they have sold 3,471,736 bales of cotton for dollars since the 1st of January 1956.

You can clearly see our trouble has come from refusal to sell. Had they sold through the years, our farmers would still be in business, CCC investments would have been very low and foreign production would have expanded very little.

I say to you that nine-tenths of the holdings of the Commodity Credit Corporation is in the hands of the Government, where we are paying huge storage charges because during that period the Department of Agriculture would not do as any normal man would have done, offer such commodities for sale through normal channels at competitive prices for dollars. If you want proof of that read what they have done in the brief period they have been offering some commodities for sale, 3,471,736 bales of cotton sold in 6 months. Would it not have been fine if Secretary Benson had not waited 3 years to start?

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Why do they come in then and ask for \$3 billion more when they have got an outlet now which they should have had 15 years ago?

Mr. WHITTEN. They did have the outlet but they refused to use it for a number of years. One reason they are asking for this increase is because they have not yet moved in as fast as they could with regard to other commodities. They have held these essential commodities and have built the supply up so high they cannot move it all at once. Another cause of this increase is the soil bank. We provided in the soil bank, recommended by the President, the Congress approving, that the soil bank be financed by the Commodity Credit Corporation. That requires \$1,200,000,000 of the increase. We have given this Corporation the job of price supports which requires a certain borrowing capacity on the part of the corporation

today. If they had done as they are beginning to do now in connection with cotton, they would not have had to have this increase. The corporation has two sources of money. One is that money they collect on commodities sold as this cotton, will be available to them for further use on a revolving basis. If they had been offering these commodities and if they had sold them as they had the authority to do, and could have done, they would have had the money, but unfortunately they did not do that until far too late, and we have to help them until such time as we can get back into the world markets where they should have been all the time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. First I want to say I am in favor of the bill.

Mr. WHITTEN. The bill is absolutely essential under present conditions but it should not have been necessary.

Mr. McCORMACK. In relation to cotton, what is the surplus of cotton that we have at the present time in storage?

Mr. WHITTEN. I do not have the exact figures but it is my recollection we will have about 8 million bales of cotton.

Mr. McCORMACK. With this year's production?

Mr. WHITTEN. At the end of this year when we close out we will have a surplus to domestic needs. It has not been surplus to world needs if we have offered regularly through the years. We have held our commodities off the world markets and we have spent billions of dollars in increasing production in foreign lands while our Government held our commodities off the world markets. Last year this cotton was counted under the law and 55,000 United States cotton farmers were put out of business under acreage restrictions while this cotton, counted by order of the Secretary, to cause this acreage reduction, had not even been offered for sale.

Mr. McCORMACK. Would the gentleman like me to help him and others interested get rid of 750,000 bales of cotton a year?

Mr. WHITTEN. Yes; however, I would like to sell it. Merely getting rid of the commodities is not near so important as getting back in business in world trade through normal channels.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. McCORMACK. What I have in mind is this: It has been suggested to me, and it appeals to me—I have no textiles in my district—that if the Secretary of Agriculture were authorized by law to sell not more than 750,000 bales of cotton a year to American textiles, having in mind the problem they have of competition abroad, at a price where they could fabricate that for export alone, it seems to me that that would be a very desirable objective.

Mr. WHITTEN. It is much more important that we keep our cotton and other commodities offered in world trade channels on a competitive basis than

that we just get rid of what we have on hand. It is staying in business that is important. The present law authorizes protection for our cotton mills. The Agricultural Adjustment Act enables the President to place import duties up to 50 percent of the value or he can limit the amount of imports competing with our textile mills. He has not used such authority. Personally, I think we should sell textile mills an amount of cotton at the world price equivalent to their exports, which is what the gentleman is expressing in a different way. If we sell to these mills at the world level an amount of raw cotton equivalent to their exports, they would have a source of supply to compete in world trade.

Mr. McCORMACK. The proposition I addressed to the gentleman is the sale of a certain amount of cotton to our textile mills in order to enable them to meet the competition from abroad; for manufacture, not for sale within the United States but abroad.

Mr. WHITTEN. The gentleman and I are in agreement as to the need, and, pending that change, they do have ample authority to protect them under the present law.

Mr. McCORMACK. I notice that a distinguished former Member of this House, the distinguished lady Senator from Maine, and other Senators, have joined in a bill to that effect, and it attracted my attention. I think it would be a very good thing to do. I hope that when the agricultural bill for sale abroad, embargoing Communist countries, comes up, that the committee will accept an amendment along that line.

Mr. WHITTEN. I would support a directive to sell domestic mills cotton equal to their exports at world prices.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I wish to take time only to call the attention of the committee to the fact that this increase in the authorized borrowing power of the Commodity Credit Corporation is not in any sense passing upon the merits or the demerits of the farm program or on the merits or demerits of the present administration of the Commodity Credit Corporation. It is merely that under existing law certain commitments have been made, and it becomes the moral responsibility of the Congress to provide the money to meet those commitments.

In order to make that crystal clear, when Mr. Morse was before our committee I asked him two questions which you will find on page 65 of the public hearings:

Mr. O'HARA. Mr. Morse, isn't it true that the Nation's agricultural price-support program has already been determined by law and what we are called upon to do is to supply money so that the Government can carry out commitments it has already made to the farmers?

Mr. MORSE. Yes, Mr. O'HARA. That is quite true.

Mr. O'HARA. Mr. Morse, isn't it true that the \$2 billion provided for in this bill will be needed even if the present flexible agricultural price-support law is retained?

Mr. MORSE. That is correct.

I think I should point out to the committee that it was only a year ago that we raised the Corporation's authorized borrowing power by \$2 billion, and this bill would raise the limit another \$2 billion. Mr. Morse quite frankly told us he expected to be before the Congress in a few months or within the next year, anyway, asking for a higher authorization. But, whenever legislation of this character is presented, it becomes the moral duty of the Congress to enact it, because it is merely meeting the commitments made in good faith to the farmers under existing law. If any change is needed in the program of the Commodity Credit Corporation, it must come at another time, through the Committee on Agriculture, and reach the House through a different type of legislation than this.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, I shall be brief. I desire to make only 2 points. One, the Commodity Credit Corporation is like the hub of a wheel. The activities of our farm program are like the spokes of the wheel.

I am for the Commodity Credit Corporation. It is the heart of our farm-marketing program.

Secondly, agriculture is more highly competitive than any other industry in our country. Because of the fact that agriculture is so highly competitive we need an agency like the Commodity Credit Corporation through which it is possible to carry on orderly marketing, so that farm products may be sold, without the price-depressing effect of dumping large quantities on the market immediately after harvest seasons—but held in storage and sold throughout the year. The CCC is serving an excellent purpose.

Mr. Chairman, I want everyone to know that I am strongly in favor of this legislation.

Mr. MCGREGOR. Mr. Chairman, will the gentleman yield for a question?

Mr. TALLE. I am very glad to yield to the gentleman from Ohio.

Mr. MCGREGOR. Mr. Chairman, I am sure we all appreciate the statement made by the gentleman, but some of us are beginning to wonder whether now that we have a law which permits the Commodity Credit Corporation to sell cotton on the open market, there will be enough sales of these commodities to balance approximately the size of the incoming crop, so that we will not have to continue increasing our surpluses.

Mr. TALLE. The able gentleman from Ohio has mentioned an important matter. It is referred to in the report which accompanies this legislation. The gentleman from Ohio [Mr. MCGREGOR] may take the same comfort from current information that I take, and that is that the Department of Agriculture is traveling along the right road, as was pointed out by the gentleman from Mississippi [Mr. WHITTEN]. Our farmers are most remarkable in their ability to produce. The severe problem is successful marketing and there is encouraging evidence of improvement in that important field.

Mr. SPENCE. Mr. Chairman, I yield the gentleman from Ohio [Mr. VANIK] 1 minute.

Mr. VANIK. Mr. Chairman, there is not a single farm in my district, there is not a single Commodity Credit Corporation warehouse or facility in my district. I am nevertheless in support of this legislation which is essential to the administration of our farm program. I certainly hope that the Representatives whose areas will be benefited by this legislation will remember that we have a housing bill lodged in the Committee on Rules which we would like to have voted upon by this House before Congress adjourns. I hope there will be some reciprocity by way of support for the housing bill in this Congress on the part of those people who may not have any great housing needs in their districts. I hope they realize that people in other parts of the country, particularly urban areas, need help in the important field of housing.

Mr. SPENCE. Mr. Chairman, I did not inspire that comment, but I go along with it.

Mr. Chairman, we have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I do not want to take any more time. I think enough has been taken. But I would like to know where the write-offs were in Massachusetts. I do not remember any big firms coming in there and manufacturing things so that they had to expand their business. The business was in your so-called West and Middle West.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Iowa.

Mr. GROSS. It was only about a week ago that we got an extension of daylight saving time at the request of the gentleman because he wanted more light in Massachusetts.

Mr. NICHOLSON. Yes, you wanted more light.

Mr. GROSS. I am sure you have all the light you need on that subject.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

INCREASE IN BORROWING AUTHORITY

SECTION 1. (a) Section 4 (1) of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714b (1)), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,000,000,000."

(b) Section 4 of the act of March 8, 1938, relating to the Commodity Credit Corporation, as amended (15 U. S. C. 713a-4), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,000,000,000."

Mr. HOLLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLAND: Immediately after section 1, page 2, after line 2, insert the following new section:

"REIMBURSEMENT OF STORAGE EXPENSES

"SEC. 2. (a) Section 5 of the Commodity Credit Corporation Charter Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Corporation shall reimburse States and their political subdivisions for reasonable expenses incurred by them in storing agricultural commodities which have been donated to them by the Corporation, but such reimbursement shall not be at a rate in excess of the current rate being paid by the Corporation for storage of like commodities owned by it."

"(b) Section 407 of the Agricultural Act of 1949, as amended, is amended by inserting after 'Except on a reimbursable basis' the following: 'and except as provided in the last paragraph of section 5 of the Commodity Credit Corporation Charter Act.'"

And renumber section 2 as section 3.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that the amendment is not in order, but I shall reserve the point long enough for the gentleman to proceed.

(Mr. HOLLAND asked and was given permission to proceed for 5 additional minutes.)

Mr. HOLLAND. Mr. Chairman, H. R. 11132 increases the borrowing power of the Commodity Credit Corporation from \$12 million to \$14 million.

This large amount of money is used to stabilize and protect the agricultural industry of our country.

In other words, every farmer in the United States shall receive relief from this huge sum of money.

Members of this House from industrial districts have supported and voted for this support for the farmer as we realize that the prosperity of the farmer is necessary to the prosperity of our workers in our industrial districts.

Today, I am going to ask those from the agricultural districts to reciprocate to those in the distressed industrial areas by their vote.

In addition to purchasing the surplus foods produced by the farmer, this \$14 billion will be used to pay for the railroad freight, the ocean freight and the storage of surplus commodities given away to people of foreign countries who are hungry and without work.

We like to boast of our feeding the world.

I must confess I approve of it as I believe food is essential to the hungry and the unemployed, because without it they are the prey of the demagogues of communism or fascism.

Now gentlemen of the House, we in America have similar problems of the hungry right here in our own country, and I believe they, too, should be taken care of just as those across the seas.

I am offering an amendment to H. R. 11132, asking the Commodity Credit Corporation to do the same for every 1 of the 48 States as they do for our friends in foreign lands.

In my own State of Pennsylvania, we have at the present time many distressed areas.

There is no work to be had, and if so, the hours worked are not sufficient to

secure ample wages to feed one's family.

You would think that under these conditions the CCC would treat these areas just the same as they treated the areas in foreign countries, but, oh, no, the taxpayers of those distressed areas must pay for the storage of the surplus foods.

This is the most asinine ruling ever made by any bureaucrat in Washington.

The CCC must store the surplus products they buy. If they do not move the surplus food they have stored—then they must rent new storage places.

Therefore, why not store this surplus in the distressed district where free distribution is given to needy and hungry Americans.

They would do it in foreign lands—why not right here at home, where American taxpayers are paying the bill.

And that is what my amendment does.

Why should we force on every State the paying of local storage—while at the same time the Federal Government is paying for Federal storage?

Why double storage bills?

Let me read a letter from a nonpolitical organization on this subject:

APRIL 23, 1956.

HON. ELMER J. HOLLAND,
House of Representatives,
Washington, D. C.

DEAR ELMER: I am writing to confirm our discussion with you at the hearing before the county commissioners on April 19 in regard to the importance of the surplus foods program in Allegheny County. As a major voluntary social welfare agency, we carry on a year-round program working with Allegheny County families in regard to family difficulties and personal trouble. Many of these families are living on limited incomes and some of them are supported by the board of public assistance. Therefore, we have direct knowledge of the importance of these surplus foods to many of these persons.

As you know, about one-fourth of all the persons receiving such food under the present plan are persons supported by the board of public assistance. These 36,000 people are the most helpless group in our community in that they are children, or people too old to work, or people with serious handicaps of various kinds. It is the unhappy fact that the present standards of food allowances by the assistance program are substantially below the standards for adequate nutrition and balanced diets. The fact that the surplus foods presently distributed include meat, cheese, and butter make them of particular value in enabling this group to have a much sounder and better balanced diet than would otherwise be possible. In the long run such an improved diet should assist in preventing the development of illnesses. We also know that this must be true for many people of low income from other sources, such as those dependent upon social-security benefits or private pensions.

We feel that it is in the interest of the welfare of the low income section of our community that this program be continued. You are aware of the burden of finances placed upon the county commissioners by the inability of the Commonwealth of Pennsylvania to assume its responsibilities in this matter. A substantial part of this burden is due to storage costs. The Federal Government maintains storage facilities in other centers of population and transportation, particularly where foods are processed. It can just as economically provide some storage facilities in such a center of consumer population and of transportation facilities as Allegheny County. We, therefore, join with the county commissioners in respect-

fully urging the Federal authorities to establish storage facilities here.

We are deeply appreciative of your interest in helping the community to work out plans to continue this program. We will be glad to be of any assistance possible as plans develop.

Sincerely yours,

MALCOLM HAY, President.

Although I am speaking of Pennsylvania, this applies to your State.

Michigan has hundreds of thousands unemployed. Remember this that the slowing up of auto manufacturing means that the overall economy shall feel its impact.

The dispute in steel will bring layoffs on the railroads, building, and many kindred industries—and judging from the great stockpiling of steel, the steel industry is due for a recession on account of the present industrial dispute.

All of this means many States are going to be forced to distribute surplus foods.

Your States have budgets that do not include the cost of storage of surplus foods.

They do not have the money as it is not appropriated.

All my amendment does is to reimburse the States and their political subdivisions for the cost of storage at the current rate being paid by the CCC for storage of like commodities owned by it.

We are not asking for more money, we are only asking that the CCC store the surplus food where it will be used for feeding Americans who are hungry.

It has to be stored somewhere—why not in an appropriate place?

I am asking you, as Americans, to do for Americans the same thing you do for those in foreign countries.

It is our money—raised by taxes—let us get some benefit from our tax dollar for our own people.

I now yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. You say you have widespread unemployment. What distribution is being made of processed flour and corn into meal under the provisions of the Surplus Property Act?

Mr. HOLLAND. We do not have distribution of either flour or corn.

Mr. BAILEY. Cornmeal?

Mr. HOLLAND. Because the cost of the storage.

Mr. BAILEY. It seems to me that we are getting it in West Virginia. If your man handling the commodities in Pennsylvania asked for it, he could probably get it.

Mr. HOLLAND. Well, we have it distributed.

Mr. BAILEY. What you are proposing to do is to have it shipped in there and stored?

Mr. HOLLAND. In other words, to have a storehouse in the district where there is need for the surplus food. Instead of having to go somewhere out to the Middle West where it is now stored, why not take that food surplus to the community where it will be used, so that they will not have a double storage cost?

Mr. BAILEY. If you could save the cost of storage in some city in the West, it might help, but if you have double storage—

Mr. HOLLAND. We do not have double storage.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Does the gentleman from Michigan withdraw his point of order?

Mr. WOLCOTT. Mr. Chairman, I withdraw the point of order.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Government donates the surplus food. The gentleman's amendment asks that the Government pay the storage charges. In other words, the Government would be paying the States and localities to accept the gift.

If we have to provide the storage place we, in effect, are required to pay a penalty for making the donation. It will cost the Government millions of dollars.

This reminds me of charging Santa Claus for coming down your own chimney.

Mr. Chairman, I yield back the balance of my time.

Mr. CORBETT. Mr. Chairman, I rise in support of the amendment, and I think the reasons are quite obvious why it is a desirable and proper amendment.

On this matter of paying Santa Claus for making a visit, it so happens that over a long period of years these surpluses of food were mounting in ever-enlarging quantity until a couple of years ago someone came out with the bright idea of letting the needy people of America eat the surplus and thus reduce it.

The program has been established, it has been expanding very rapidly during the past year and a half, and now it has reached the situation where those localities which have the greatest need for free food, are the very areas where they have the least money to pay for the distribution of the food. This food has to be stored some place, it has to be transported to the place of final distribution to the needy. When it gets there it has to be stored until the time it is finally delivered to the ultimate consumer. Granted that there might be some small increase in cost because of restorage, my point is simply this, that we are reducing the total storage bill by this distribution in the free-food program; we are reducing the need for new storage facilities; we are placing the burden of the Federal program on the States and localities when they cooperate with the Federal Government in a proper reduction of these surpluses.

If it does not make as much sense to pay for storage at a distribution point as it does to pay it at the point of production, then 2 and 2 do not make 4.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in order to explain the food surplus distribution program under the United States Department of Agriculture to some of the people who do not know all the circumstances.

I am one of those people who has been interested in the surplus food program for needy people, and I believe that it is a good program because the United States helps to get rid of the billions on

billions of dollars of rotting agricultural surpluses for a constructive purpose.

Anything that can be done to dispose of the agricultural surpluses helps not only the needy consumers of this country, and as long as it does not interfere with the ordinary commercial channels, it likewise helps the farmers and food distributors.

I represent an industrial district but likewise have a small farm and am interested in farming and farm problems.

I believe one of the greatest problems of the farmers of today is the mounting problem of surplus agricultural products. It is the fact of the \$7 billion farm surplus hanging over the market which keeps prices down and makes more price support necessary. For example, if we in the steel business in Pittsburgh had steel lying around the way farmers have crop surpluses lying around, we would be having troubles, too. That is what happened in the coal industry for a long long time, and caused continued depression.

The point of it is this: We have in the city of Pittsburgh, and Allegheny County, incredible as it seems in the time of greatest prosperity we have ever had, 165,000 people who do not have the purchasing power to buy food. I hope the Democratic majority in this House will not deprive these people of this surplus food distribution program by forcing large storage costs on the local government, which it does not feel it can continue to pay. I hope my Republican colleagues will cooperate on this program, too.

In Allegheny County, Pa., there are now 165,000 people receiving assistance on a Federal free food surplus program. The food is distributed from warehouses at the expense of the local community. We locally have been issuing 4 to 5 to 6 commodities that are being distributed and we have a screening system of 150 local boards set up consisting of volunteer workers, to determine eligibility and need. So that we are doing our share locally. The commissioners of Allegheny County have been paying on storage costs averaging from eight to fifteen thousand dollars a month. The Federal Government will have to store this food some place, so why not have a storage warehouse in our western Pennsylvania area to fulfill this function?

I would like to ask the gentleman from Georgia, Why? Simply because so far under our United States agricultural policy, all of these storage warehouses for surplus products have been set up in the agricultural districts. There is not any in the State of Pennsylvania that you can point to, and yet we Pennsylvanians are paying the high price supports in the food we buy, and pay our United States taxes for warehouses and the whole agriculture program as well. Because of the present setup of the Department of Agriculture, in order to move this surplus agricultural food to the point of distribution, we have to get it through the New York office of the Department of Agriculture. They then tell Cincinnati or Columbus, Ohio, to ship it. It is shipped from Wisconsin, dairy products in many cases, which

must be collected some place. It is not our fault in Pittsburgh and Allegheny County that the Department of Agriculture is set up with its policy reflected to the farmers and not to the city people at all. And it always has been. So it costs us money. Secondly, because the surplus products have to come from widely separated points, I do not think that the expense of holding the products prior to distribution should be put on the local community but should be an expense of the Department of Agriculture, therefore I am for the pending amendment.

Under this amendment we are by our action actually reducing the total Federal cost of storage of surplus agricultural commodities because we have now in Pittsburgh, Pa., used up 17 million pounds of surplus food for people who are needy and unable to purchase food at this time. For example, on our local public-assistance programs, people are trying to live on \$36 a month on an average, and on our United States social-security programs they are trying to live on \$58 a month on an average. In a great industrial area that cannot be done, as it is below the minimum standards for decent subsistence. Our merchants in Pittsburgh have not complained, because we are not interfering with commercial channels, as these needy people have deficient purchasing power.

Let me tell you, Mr. Chairman, in many cases, we are saving the family that is almost on the edge of disaster and relief. Our good churches and welfare organizations, together with these many local boards, 150 of them set up voluntarily, are screening these programs and seeing that this food is given out where it ought to go.

That is the kind of agricultural program I like, one that helps the farmers help themselves, and, second, with the people who can buy, to pay fair prices for food, and, three, the people who do not have the purchasing power are remembered, both in our agriculture and industrial areas. Remember, even these needy people have helped pay for this agriculture program and surplus United States Government commodities.

I say, in conclusion, if we in Pittsburgh and western Pennsylvania could have a warehouse program that set up surplus food and agricultural commodities at or near these great industrial areas it would be a great help. We will cooperate with you people in the agricultural areas.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. FULTON was allowed to proceed for 2 additional minutes.)

Mr. FULTON. Mr. Chairman, we will cooperate with the agricultural people to set up strategic area reserves of food all around this country that will not be considered as Federal agricultural surplus commodities. It will take these agricultural commodities off the market, and also we will then be protected in case of atomic or nuclear attack in these industrial areas. The Pittsburgh

area is 1 of the 5 or 10 prime targets in this country. If we could have a surplus ship sent up there by the Federal Government and just moored so we could use it as a warehouse, it will save us the public-warehouse cost which costs from \$8,000 to \$15,000 a month. Why is Allegheny County paying these large storage costs each month? Largely because of the poor storage facilities of the Department of Agriculture in relation to distribution of surplus commodities in the United States. So far the Department's policy has merely been to store the surplus where the products are produced. But there should be some emphasis on a policy of storage for the purpose of distribution to needy people instead of the whole policy being aimed at storage for no purpose whatever, but simply to store for no useful purpose. And, I say to the farm areas, one of the best things we can have in this country is for the urban members to be voting with you instead of against your proposition, which could be done on the ground that we are taking care of the unfortunates in the industrial areas while we are taking care of the farmer in helping maintain his purchasing power. I think that is a good working together, and I hope this amendment is adopted.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from North Dakota.

Mr. BURDICK. How do you account for such widespread distress in Pennsylvania? What is the cause of it?

Mr. FULTON. It is not distress. We have the steel mills and general industry going strong, we have many industries going strong, but as always there has been the problem of continued unemployment in these large industrial areas, for example, in the coal mines. I hardly need say to you that in the coal areas, with the change of fuel from coal to oil and gas, it has meant distress.

Mr. MURRAY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Illinois.

Mr. MURRAY of Illinois. Is it not a fact that under the present program the State does not pay the cost of this warehousing but, rather, the particular local community that utilizes it?

Mr. FULTON. It is the local community that pays these storage costs, and we in our county have been doing a good job of united community action on this program.

Mr. MURRAY of Illinois. Actually, the community has to pay for it at the local level rather than at the State level.

Mr. FULTON. I want to congratulate a former Member, now dead, Mrs. Vera Buchanan, as well as the gentlemen from Pennsylvania Mr. ROBERT CORBETT and Mr. HERMAN EBERHARTER, as well as the Central Labor Union of Pittsburgh, who, together with my own efforts, on a non-partisan basis, have worked up this successful surplus food program for our county that has been giving surplus food to 165,000 people in need.

Our county commissioners of Allegheny County, Commissioners John J.

Kane, John M. Walker, and Howard Stewart, are to be complimented for their public spirit in working on this program, and I wish to thank them for their civic interest.

Congressmen THOMAS MORGAN, of Washington County, Pa., and AUGUST KELLEY, of Westmoreland County, Pa., have likewise cooperated well on the surplus food distribution program for their respective areas.

I hope that the Congress will assist these local communities in meeting these difficult problems which they are trying to meet with a fine civic-minded approach.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we ought to understand just what this amendment does. I deeply sympathize with the condition that prevails in Allegheny County. They have a high level of unemployment and have asked the Government to donate food. The Government did that. The Corporation donated many tons of food to the county. The Federal law required the food to be crated and delivered to the point of distribution. When it arrived there it was delivered by the donor to the donee. The delivery of this food conveyed to the county the title to it. The property was then owned by Allegheny County. The Commodity Credit Corporation had no further ownership or control. Now the county asks the Commodity Credit Corporation to pay the storage charges on foods it does not own, but which it gave to the county for a very worthy purpose. This program of distribution of food is a national program and under the present law the Commodity Credit Corporation would have no authority to pay for storage after the delivery of the goods. If this amendment is passed the same treatment must be accorded to all other receivers of Government food as would be accorded hereunder to Allegheny County.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question of the passing of title, of course, is a question of intention between the two Government agencies. It is not automatic under a sales act at just the point of delivery. It is when the title intends to pass. So, that can be done by agreement. Secondly, on this particular program, the gentleman thinks that a city that is poorly situated in relation to the agricultural setup should then be penalized because we cannot get adequate deliveries quickly. We do not want to have to store the food. I might say in conclusion that this is not just for Pittsburgh alone, as the program has developed in other cities. It is a situation which the Commodity Credit Corporation could easily adjust.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. HOLLAND].

The question was taken; and on a division (demanded by Mr. HOLLAND) there were—ayes 11, noes 60.

So the amendment was rejected.

Mr. TOLLEFSON. Mr. Chairman, I move to strike out the last word.

(Mr. TOLLEFSON asked and was given permission to revise and extend his remarks.)

Mr. TOLLEFSON. Mr. Chairman, I hesitate to take this time, because I am in no sense an agricultural expert. I know a little bit more about fish and ships, and I should like to talk about those some other time. But it seems to me this is a good point to bring to the attention of the Members of the House a practice of the Commodity Credit Corporation which I think should be corrected or revised. I have called the attention of the Commodity Credit Corporation to the practice, both in this administration and the previous one.

I have reference to the method by which the Commodity Credit Corporation handles a part of its export program. Under the surplus agricultural commodity disposal program, as the Members of the House know, the Corporation now has authority to sell to foreign nations some \$1.5 billion worth of surplus agricultural products for their soft currencies. The manner in which some of those sales are handled brings about iniquitous results, it seems to me, and I should like to describe it to you very briefly.

These foreign sales are handled through commercial channels, pursuant to the legislation which Congress passed. An exporter in this country arranges to sell to a country like Yugoslavia, for instance, 10 million bushels of wheat. That sale should be made, or theoretically is designed to be made, out of surplus agricultural stocks held by the Government. However, all the exporter does is to say to the CCC, "Instead of selling the grain that you have in surplus, let me sell the grain that I am holding down in Mobile, in the gulf area." The CCC says, "Okay, go ahead and sell your wheat, but you will have to replace it with 10 million bushels of our surplus wheat."

Fine and dandy; he arranges to sell to the foreign nation 10 million bushels of wheat which he holds down in the gulf area. Then he has an agreement with the Commodity Credit Corporation to purchase 10 million bushels of its stocks, up in Kansas City, for example. The purchase price of that is to be the low-market price on a given day. On that given day the exporter dumps about 2 million bushels of wheat on the Kansas City Board of Trade market and deliberately knocks down the price as far as 5 cents a bushel. This is an illegal procedure to which the CCC closes its eyes. He loses about \$100,000 on that transaction but, under his agreement with CCC, he buys 10 million bushels of surplus products held by the Commodity Credit Corporation and he makes himself a profit of \$500,000. So in the net he makes a profit of \$400,000. I say that is an undue profit made by the exporter at Uncle Sam's expense. But in addition to that, he does one other thing. He has knocked down the market price 6 cents a bushel, which has an upsetting effect upon the market and, in turn, has an effect upon the price the farmer gets for his wheat. It has a third bad effect, because in buying the 10 million bushels of wheat

stored in Kansas City, the exporter then has that amount of wheat which he again, at some future time, runs through the Kansas City Board of Trade market and further upsets the market. A part of the transaction is illegal. The whole transaction is unconscionable and should not be permitted.

I see no reason at all why the Commodity Credit Corporation could not arrange so that all of its sales to foreign nations under the Surplus Disposal Act should be made out of its own stocks in port cities. It would do away entirely with the kind of transaction I have described. It would not have the bad effect on the market that it has had.

I bring it to your attention simply to urge you to join with me and others in requesting the Commodity Credit Corporation to revise its method of handling its export business under the Surplus Disposal Act.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, a few weeks ago, during a hearing of the Special Subcommittee on Donable Property, my friend from North Carolina, Congressman JONAS, asked that there be placed in the RECORD an indication of the amount of property transferred during the past year to educational and health institutions under Public Law 61.

I am pleased that my friend made the request as I have been thinking for some time that a short progress report is in order from me on the subject since I introduced H. R. 3322 which was enacted as Public Law 61 on June 3, 1955.

By way of comparison I wish to advise that the transfers of good, usable surplus property for educational and health purposes had shrunk to almost a trickle in many States owing to the fact that the Defense Department chose to sell the property and put the proceeds in a stock fund.

During the calendar year 1954 the amount of property transferred was \$137 million and was decreasing rapidly. During calendar year 1955 it was \$183 million, an increase of \$46 million.

During the period 1955 through May 1956, 11 months, the value of property transferred was \$196,221,179. For May 1956, the amount was over \$17 million so we may expect over \$210 million for the full current fiscal year.

Of perhaps more importance is the fact that the property has been of much better quality and usefulness according to officials in the Federal and State agencies who are rendering wonderful service in connection with the program. I find that most States have been improving their surplus property organizations in many ways to improve the quality of their programs. Some have added personnel, more warehouse space and other facilities. I may also state that very little objective criticism has been pointed at the program though it is very extensive in nature and involves thousands of people.

As to the future of the program, I am advised that the Department of Defense alone expects the annual disposal of some \$3 billion worth of property for several years to come.

In reviewing the statistics issued by the Department of Health, Education, and Welfare during the period I have noted with interest that every State in the Union except Idaho participated in the program. Those of us who have been interested in this legislation regret that every State has not participated since the taxes which paid for the property have been levied throughout the entire Nation and the ownership of all the property is in the people of the United States and the institutions in every State need help.

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Idaho.

Mrs. PFOST. Mr. Chairman, I note with interest what the gentleman has stated concerning the fact that the State of Idaho is the only State not participating in the donable surplus-property program. I have received many inquiries from institutions in my district concerning the possibility of obtaining surplus materials and real property under this program. Because of these many inquiries, I sent out a questionnaire to find out exactly what the sentiment is on this important subject. The questionnaire went to all county school superintendents, to principals or heads of tax-exempt private schools, and to all superintendents of hospitals in the State.

The questionnaire reads:

Do you favor making Idaho educational and public-health institutions eligible for participation in the surplus property disposal program under Public Law 152, 81st Congress?

Out of a total of 178 questionnaires sent out, 128, or approximately 72 percent, were returned. One hundred and twenty-six of those returning the questionnaires were unanimously and enthusiastically in favor of making Idaho eligible to participate in the program. One dissenter—a county school superintendent—wrote on the bottom of his questionnaire that he might be interested if all schools were given an even break on the materials, but it had been his experience that State schools and favorite schools usually got first choice under such a program, and the rest got what was left. So he isn't really opposed to making the State eligible to participate in the program—he is just afraid his school district will not get a fair share of what there is to distribute.

I think these returns indicate that without question they want this program in Idaho.

I wrote Gov. Robert E. Smylie over a year ago calling attention to the fact that Idaho is the only State in the Union not participating in the donable surplus property program, and he replied that he had asked several people around the State for comment, and would write me again when he heard from them. I have had no further word from the Governor on the matter.

Since our legislature does not meet until 1957, is there anything we can do so the State of Idaho may legally par-

ticipate in the program pending action by the Idaho Legislature?

Mr. McCORMACK. The answer to the question is "Yes."

In drafting the bill, the situation which you describe and which I believe existed in 1 or 2 other States came to our attention. Accordingly, section 1 (b) contains the provision that:

No property shall be transferred (except surplus property donated in conformity with paragraph (3) of this subsection), until the Secretary of Health, Education, and Welfare has received from an appropriate State agency or official a certification that such property is usable and needed for educational or public health purposes in the State, and no property shall be transferred pursuant to this paragraph until the Secretary of Health, Education, and Welfare has determined that such agency or official has conformed to minimum standards of operation prescribed by the Secretary for the disposal of surplus property.

Accordingly, it is possible for the governor to designate, if he chooses, an appropriate State agency or official to conduct the program within the meaning of the statute. As a matter of fact, the Governor of Arizona, faced with a similar situation designated an agency in his State in August 1955 pending action by the legislature. After the agency has been established or the official designated, the next step would be to contact the responsible people in the Department of Health, Education, and Welfare. I am also sure that the National Association of State Agencies for Surplus Property will be pleased to help your State become a participant in the program.

In concluding these remarks, I should be remiss if I did not laud the invaluable assistance rendered by the Honorable JOHN E. MOSS and CHARLES R. JONAS who serve with me as members of the Special Subcommittee on Donable Property which was established by the chairman of the Committee on Government Operations, the Honorable WILLIAM L. DAWSON who has always supported the program 100 percent, as well as the other members, Democratic and Republican, of the House Committee on Government Operations.

But the answer is that pending the meeting of your legislature in 1957, the bill that came out of the special subcommittee consisting of myself as chairman, the gentleman from California [Mr. MOSS] and the gentleman from North Carolina [Mr. JONAS] specifically anticipated that situation and inserted in the bill language which would take care of such a situation when a State legislature was not in session.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to my colleague.

Mr. JONAS. Will the gentleman from Massachusetts not tell the House that we have worked hard on this program and that we think we have it adequately safeguarded now and that it is worth a tremendous amount to the various States that do participate in it.

Mr. McCORMACK. I thoroughly agree. The gentleman from North Carolina [Mr. JONAS] and the gentleman from California [Mr. MOSS] were of invaluable assistance to me and I might

say that our special subcommittee is following through to see that there is no encroachment by any other agency and that the law is carried out fully and completely.

The statement which I will include as part of my remarks gives valuable information to all the Members as to what their States have obtained during the past year.

Mrs. PFOST. If the gentleman will yield further I would like to say, based upon this information, I am going to contact the Governor of the State of Idaho and ask him to designate either an appropriate State agency or an official to conduct the Federal surplus-property program in Idaho. I thank the gentleman from Massachusetts for the information he has given me.

Mr. McCORMACK. This program has been one of the most beneficial programs for hospitals, colleges, and schools in every State of the Union. Of course, I am not fully acquainted with the situation in the State of Idaho, but it does seem to me that there must be many colleges, hospitals, and schools that could benefit materially if Idaho could take advantage of this splendid program which is doing so much good.

The table referred to is as follows:

Department of Health, Education, and Welfare—Personal property made available for distribution to and real property disposed of for educational and public health institutions July 1 through Sept. 30, 1955

[ACQUISITION COST]

States	Personal property	Real property	Total
Total.....	\$54,133,736	\$2,533,491	\$56,667,227
Alabama.....	1,174,892	25,358	1,200,250
Arizona.....	32,329	—	32,329
Arkansas.....	449,307	98,100	547,407
California.....	5,493,933	725,565	6,219,498
Colorado.....	1,017,369	—	1,017,369
Connecticut.....	962,840	—	962,840
Delaware.....	318,362	—	318,362
Florida.....	1,753,490	7,620	1,761,110
Georgia.....	844,647	—	844,647
Idaho.....	—	—	—
Illinois.....	1,783,044	42,608	1,825,652
Indiana.....	793,322	—	793,322
Iowa.....	815,802	—	815,802
Kansas.....	832,691	—	832,691
Kentucky.....	1,049,507	260,611	1,310,118
Louisiana.....	623,519	1,503	625,022
Maine.....	367,103	—	367,103
Maryland.....	1,214,185	—	1,214,185
Massachusetts.....	2,558,355	3,500	2,561,855
Michigan.....	1,173,749	32,921	1,206,670
Minnesota.....	1,244,513	—	1,244,513
Mississippi.....	1,013,894	—	1,013,894
Missouri.....	1,451,699	46,475	1,498,174
Montana.....	94,016	13,590	107,606
Nebraska.....	1,615,588	—	1,615,588
Nevada.....	113,842	—	113,842
New Hampshire.....	209,710	—	209,710
New Jersey.....	1,179,953	—	1,179,953
New Mexico.....	232,577	139,077	371,654
New York.....	3,506,972	—	3,506,972
North Carolina.....	1,249,094	—	1,249,094
North Dakota.....	103,390	—	103,390
Ohio.....	1,721,176	20,416	1,741,592
Oklahoma.....	858,730	65,960	924,690
Oregon.....	1,106,460	—	1,106,460
Pennsylvania.....	3,301,563	—	3,301,563
Rhode Island.....	431,698	—	431,698
South Carolina.....	1,235,899	—	1,235,899
South Dakota.....	315,917	—	315,917
Tennessee.....	1,266,752	404,165	1,670,917
Texas.....	2,388,019	383,696	2,771,715
Utah.....	954,558	—	954,558
Vermont.....	225,509	—	225,509
Virginia.....	976,827	5,000	981,827
Washington.....	1,035,051	133,000	1,168,051
West Virginia.....	570,831	—	570,831
Wisconsin.....	1,189,517	—	1,189,517
Wyoming.....	88,101	—	88,101
Alaska.....	—	18,091	18,091
District of Columbia.....	445,908	53,935	499,843
Hawaii.....	154,204	52,300	206,504
Puerto Rico.....	593,322	—	593,322

Department of Health, Education, and Welfare—Personal property made available for distribution to and real property disposed of to educational and public health institutions Oct. 1 through Dec. 30, 1955

[ACQUISITION COST]

(In accordance with sec. 5, Public Law 61, 84th Cong.)

States	Personal property	Real property	Total
Total.....	\$45,656,783	\$3,519,994	\$49,176,777
Alabama.....	1,117,222	123,052	1,240,274
Arizona.....	474,401	474,401	948,802
Arkansas.....	484,782	10,900	495,682
California.....	4,425,161	224,384	4,649,545
Colorado.....	481,432	481,432	962,864
Connecticut.....	336,637	336,637	673,274
Delaware.....	292,219	292,219	584,438
Florida.....	1,050,397	1,050,397	2,100,794
Georgia.....	895,878	6,190	902,068
Idaho.....	1,852,795	1,852,795	3,705,590
Illinois.....	1,457,576	11,424	1,468,999
Indiana.....	673,781	34,344	708,125
Iowa.....	495,183	495,183	990,366
Kansas.....	752,769	25,480	778,249
Louisiana.....	1,534,639	1,534,639	3,069,278
Maine.....	302,712	302,712	605,424
Maryland.....	1,088,074	799,233	1,887,307
Massachusetts.....	1,437,449	1,437,449	2,874,898
Michigan.....	1,164,253	109,622	1,273,875
Minnesota.....	992,985	992,985	1,985,970
Mississippi.....	804,427	647,375	1,451,802
Missouri.....	1,497,289	48,438	1,545,727
Montana.....	156,238	120	156,358
Nebraska.....	585,745	100,256	686,001
Nevada.....	354,570	354,570	709,140
New Hampshire.....	483,645	2,057	485,702
New Jersey.....	234,888	140,761	375,649
New Mexico.....	2,642,181	2,642,181	5,284,362
New York.....	1,819,678	1,819,678	3,639,356
North Carolina.....	109,389	142,903	252,292
North Dakota.....	1,677,769	37,185	1,714,954
Ohio.....	640,938	151,218	792,156
Oklahoma.....	995,805	995,805	1,991,610
Oregon.....	1,215,628	1,215,628	2,431,256
Pennsylvania.....	189,927	189,927	379,854
Rhode Island.....	579,249	579,249	1,158,498
South Carolina.....	402,985	598,231	1,001,216
South Dakota.....	1,255,283	180	1,255,463
Tennessee.....	1,940,332	129,626	2,069,958
Texas.....	605,715	605,715	1,211,430
Utah.....	176,255	176,255	352,510
Vermont.....	1,650,380	1,650,380	3,300,760
Virginia.....	1,017,851	176,515	1,194,366
Washington.....	930,189	930,189	1,860,378
West Virginia.....	966,701	966,701	1,933,402
Wisconsin.....	132,795	132,795	265,590
Wyoming.....	203,571	500	204,071
Alaska.....	252,840	252,840	505,680
District of Columbia.....	366,232	366,232	732,464
Hawaii.....	454,506	454,506	909,012
Puerto Rico.....	2,799	2,799	5,598
Virgin Islands.....			

Department of Health, Education, and Welfare, etc.—Continued

States	Personal property	Real property	Total
Nevada.....	\$72,666	-----	\$72,666
New Hampshire.....	176,083	-----	176,083
New Jersey.....	868,271	-----	868,271
New Mexico.....	264,454	-----	264,454
New York.....	2,547,389	-----	2,547,389
North Carolina.....	1,405,932	-----	1,405,932
North Dakota.....	148,194	\$111,630	259,824
Ohio.....	2,254,359	1,895,408	4,149,767
Oklahoma.....	705,587	128,373	833,960
Oregon.....	747,807	14,528	762,335
Pennsylvania.....	2,241,587	-----	2,241,587
Rhode Island.....	564,552	-----	564,552
South Carolina.....	584,929	-----	584,929
South Dakota.....	652,791	75,582	728,373
Tennessee.....	1,277,462	-----	1,277,462
Texas.....	2,821,068	265,677	3,086,745
Utah.....	402,230	-----	402,230
Vermont.....	239,417	-----	239,417
Virginia.....	1,678,502	-----	1,678,502
Washington.....	1,551,298	39,854	1,591,152
West Virginia.....	950,079	-----	950,079
Wisconsin.....	1,194,820	2,308	1,197,128
Wyoming.....	143,197	-----	143,197
Alaska.....	107,494	-----	107,494
District of Columbia.....	367,070	-----	367,070
Hawaii.....	275,846	7,800	283,646
Puerto Rico.....	736,371	-----	736,371
Virgin Islands.....	-----	-----	-----

The Clerk read as follows:

PREVENTION OF WATERFOWL DEPREDATIONS

SEC. 2. (a) For the purpose of preventing crop damage by migratory waterfowl, the Commodity Credit Corporation shall make available to the Secretary of the Interior such wheat, corn, and other grains, acquired through price-support operations and certified by the Commodity Credit Corporation to be available for the purposes of this section or in such condition through spoilage or deterioration as not to be desirable for human consumption, as the Secretary of the Interior shall requisition pursuant to subsection (b) of this section. With respect to any grain thus made available, the Commodity Credit Corporation may pay packaging, transporting, handling, and other charges up to the time of delivery to one or more designated locations in each State.

(b) Upon a finding by the Secretary of the Interior that any area in the United States is threatened with damage to farmers' crops by migratory waterfowl, whether or not during the open season for such migratory waterfowl, the Secretary of the Interior is hereby authorized and directed to requisition from the Commodity Credit Corporation and to make available to Federal, State, or local governmental bodies or officials, or to private organizations or persons, such grain acquired by the Commodity Credit Corporation through price-support operations in such quantities and subject to such regulations as the Secretary determines will most effectively lure migratory waterfowl away from crop depredations and at the same time not expose such migratory waterfowl to shooting over areas to which the waterfowl have been lured by such feeding program.

(c) With respect to all grain made available pursuant to subsection (b) of this section, the Commodity Credit Corporation shall be reimbursed by the Secretary of the Interior for its expenses in packaging and transporting such grain for the purposes of this section. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for its investment in the grain transferred pursuant to this section.

AMENDMENT TO PENAL PROVISIONS

SEC. 3. Subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), is amended to read as follows:

"LARCENY; CONVERSION OF PROPERTY

"(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own

use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, or any property mortgaged or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender, shall, upon conviction thereof, if such property be of an amount or value in excess of \$500, be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both, and, if such property be of an amount or value of \$500 or less, be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

Committee amendment: Strike out section 2 and renumber section 3 as section 2.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11132) pursuant to House Resolution 559, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FULTON. Mr. Speaker, a point of order. I object to the vote on the ground that a quorum is not present.

The SPEAKER. Does the gentleman insist on the point of order?

Mr. FULTON. I withdraw the point of order, Mr. Speaker.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3820) to increase the borrowing power of the Commodity Credit Corporation, strike out all after the enacting clause, and insert the provisions of the bill H. R. 11132 as passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

SEC. 2. Section 4 (1) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

Mr. SPENCE. Mr. Speaker, I move to strike out all after the enacting clause

Department of Health, Education, and Welfare—Personal property made available for distribution to and real property disposed of to educational and public health institutions Jan. 1 through Mar. 31, 1956

[ACQUISITION COST]

(In accordance with sec. 5, Public Law 61, 84th Cong.)

States	Personal property	Real property	Total
Total.....	\$54,716,724	\$3,006,998	\$57,723,722
Alabama.....	1,327,895	-----	1,327,895
Arizona.....	659,147	53,567	712,714
Arkansas.....	487,735	3,538	491,273
California.....	5,016,531	193,715	5,210,246
Colorado.....	557,238	14,805	572,043
Connecticut.....	543,558	543,558	1,087,116
Delaware.....	355,633	355,633	711,266
Florida.....	2,687,350	800	2,688,150
Georgia.....	1,269,436	3,100	1,272,536
Idaho.....	2,927,273	2,927,273	5,854,546
Illinois.....	1,294,709	1,294,709	2,589,418
Indiana.....	1,260,609	1,260,609	2,521,218
Iowa.....	537,102	537,102	1,074,204
Kansas.....	1,012,276	1,012,276	2,024,552
Kentucky.....	1,121,102	1,121,102	2,242,204
Louisiana.....	260,877	260,877	521,754
Maine.....	1,349,571	1,349,571	2,699,142
Maryland.....	1,328,471	1,328,471	2,656,942
Massachusetts.....	1,435,454	10,512	1,445,966
Michigan.....	1,110,240	1,110,240	2,220,480
Minnesota.....	805,037	185,801	990,838
Mississippi.....	1,584,471	1,584,471	3,168,942
Missouri.....	186,012	186,012	372,024
Montana.....	619,542	619,542	1,239,084
Nebraska.....	-----	-----	-----

in S. 3820 and insert the provisions of H. R. 11132 as passed by the House.

The Clerk read the amendment.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

A similar House bill, H. R. 11132, was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection? There was no objection.

FISHERIES AND WILDLIFE

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3275) to establish a sound and comprehensive national policy with respect to fisheries; to strengthen the fisheries segment of the national economy; to establish within the Department of the Interior a Fisheries Division; to create and prescribe the functions of the United States Fisheries Commission; and for other purposes.

The Clerk read the title of the bill.

Mr. BONNER. Mr. Speaker, I desire to state that if this request is granted I intend to offer an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Fisheries Act of 1956."

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that fish and shellfish resources make a material contribution to the food supply, health, recreation, and well-being of our citizens. They are a living, renewable form of national wealth, capable of being maintained and greatly increased with proper attention, but equally capable of destruction if neglected. The fisheries dependent upon them have occupied an important place in the economy of the Nation since its colonial beginnings. They give employment, directly or indirectly, to a substantial number of citizens. They attract all segments of the citizenry to outdoors, healthful, stimulating recreation in every part of the Nation. They furnish a large quantity of protein food. Their by-products have a wide variety of essential uses in the arts, industry, and agriculture. They strengthen the defense of the United States through the provision of a trained seafaring citizenry and action-ready fleets of seaworthy vessels. Properly developed, the fisheries are capable of steadily increasing these valuable contributions to the life of the Nation. The Congress further declares that the provisions of this act are necessary in order to accomplish the objective of such proper development and that this act shall be administered with due regard to the inherent right of every citizen and resident

of the United States to engage in fishing for his own pleasure, enjoyment, and betterment, and with the intent of stimulating the development of a strong, prosperous, efficient, and thriving fishery and fish processing industry.

FISHERY REORGANIZATION WITHIN THE DEPARTMENT OF THE INTERIOR

SEC. 3. (a) There is hereby established within the Department of the Interior a division of such department to be known as the Fisheries Division of the Department of the Interior. The administrative functions of such Division shall be administered under the direction and supervision of the Secretary of the Interior (hereinafter referred to as the "Secretary") by the Chairman of the United States Fisheries Commission created by section 4 of this act in his capacity as Assistant Secretary of the Interior for Fisheries.

(b) (1) All functions, powers, duties, and authority of the Fish and Wildlife Service of the Department of the Interior as are determined by the Secretary to relate primarily to fish, fisheries, and related matters, together with those funds, liabilities, commitments, authorizations, allocations, personnel, and records of the Fish and Wildlife Service which the Secretary of the Interior shall determine to be primarily related to and necessary for the exercise of such functions, powers, duties, and authority, are hereby transferred to the Fisheries Division of the Department of the Interior, established by this section. There are also transferred to such Fisheries Division the functions of the Secretary relating to the protection of fur seals and to the supervision of the Pribilof Islands and the care of the natives thereof relating to the Whaling Convention Act of 1949, and relating to hair seals, sea lions, whales, and other marine mammals.

(2) In addition to the functions, powers, duties, and authority transferred to the Fisheries Division under paragraph (1) of this subsection, the Secretary shall exercise through such Division all functions, powers, duties, and authority conferred upon him under the provisions of this act.

(c) The Fish and Wildlife Service of the Department of the Interior shall hereafter be known as the Wildlife Service of the Department of the Interior. The Director and Assistant Directors of the Fish and Wildlife Service shall hereafter be known, respectively, as the Director and Assistant Directors of the Wildlife Service.

(d) The Secretary shall conduct continuing investigations, prepare and disseminate information, and make periodical reports to the public, to the President, and to Congress, with respect to the following matters:

(1) The production and flow to market of fish and fishery products domestically produced and also those produced by foreign producers which affect the domestic fisheries;

(2) The availability of an abundance of the living resources which support the domestic fisheries;

(3) The competitive economic position of the various fish and fishery products with respect to each other, to competitive foreign-produced commodities, and to other competitive commodities;

(4) The collection and dissemination of statistics on food and recreational fisheries; and

(5) Any other matters which in the judgment of the Secretary or the United States Fisheries Commission created by section 4 of this act are of public interest in connection with any phases of fisheries operations.

(e) There are hereby transferred to the Secretary all administrative functions of the Secretary of Agriculture, the Secretary of Commerce, and the head of any other department or agency as are determined by the Director of the Bureau of the Budget to relate primarily to the development, advancement,

management, conservation, and protection of fisheries; but nothing in this section shall be construed to modify the authority of the Department of State or the Secretary of State to negotiate or enter into any international agreements or conventions with respect to the development, management, or protection of any fisheries resources or with respect to international fisheries commissions operating under conventions to which the United States is a party.

(f) There are hereby transferred to the Department of the Interior so much of the personnel, property, facilities, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available) as the Director of the Bureau of the Budget determines to be necessary in connection with the exercise of the functions transferred to the Secretary by subsection (e) of this section.

(g) The Secretary may request and secure the advice of assistance of any department or agency of the Government in carrying out the provisions of this act, and any such department or agency which furnishes advice or assistance to the Secretary may expend its own funds for such purposes, with or without reimbursement from the Secretary as may be agreed upon between the Secretary and the department or agency.

UNITED STATES FISHERIES COMMISSION

SEC. 4. (a) There is hereby created within the Department of the Interior, and responsible directly to the Secretary, an agency of the Government to be known as the United States Fisheries Commission (hereinafter referred to as the "Commission") which shall be composed of five members to be appointed by the President, by and with the advice and consent of the Senate. One of such members shall be designated at the time of nomination as Chairman of the Commission, and shall also administer the Fisheries Division as Assistant Secretary of the Interior for Fisheries. Each such member shall hold office for a term of 5 years, except that the terms of office of the members first appointed shall expire, as designated by the President at the time of nomination, as follows: One on January 1, 1957, one on January 1, 1958, one on January 1, 1959, one on January 1, 1960, and one on January 1, 1961. At least two members of the Commission shall be appointed from the area east and two from the area west of the Mississippi River. A vacancy in the membership of the Commission shall not affect the power of the remaining members to exercise the functions of the Commission, and shall be filled in the same manner as in the case of the original appointment, except that any person appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. Not more than three members of the Commission shall be members of the same political party. Three members of the Commission shall constitute a quorum. The Chairman of the Commission shall receive compensation at the rate of \$20,000 per annum and each member of the Commission other than the Chairman shall receive compensation at the rate of \$18,000 per annum.

(b) Not less than three members of the Commission shall have practical knowledge of fishing conditions and of the problems confronting the fisheries.

(c) The primary responsibility of the Commission shall be the formulation of all policies necessary in the administration by the Department of the Interior including the Fisheries Division created by section 3 of this act, of the laws relating to fishing and fisheries. The Commission shall also—

(1) develop and recommend measures which are appropriate to assure the maximum sustainable production of fish and fishery products and to prevent unnecessary and excessive fluctuations in such production;

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

July 10, 1956
July 9, 1956
84th-2nd, No. 115

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HIGHLIGHTS: Both Houses agreed to conference report on mutual security authorization bill. Ready for President. Both Houses agreed to conference report on military construction bill. Ready for President. House began debate on mutual security appropriation bill. Senate committee reported bills to: Extend time for study of employee security program. Provide study of foreign assistance program. Extend law for amortization of grain storage facilities. Senate conferees were appointed on bill to increase CCC borrowing power. Senate agreed to House amendment to bill to extend Penalty Mail Act to Extension Directors and Experiment Stations. Ready for President.

HOUSE

1. FOREIGN AID. Both Houses agreed to the conference report on H. R. 11356, the mutual security authorization bill. This bill is now ready for the President. pp. 10991, 11021
Began debate on H. R. 12130, the mutual security appropriation bill. p. 11049
2. MILITARY CONSTRUCTION; SURPLUS COMMODITIES. Both Houses agreed to the conference report on H. R. 9893, to authorize certain construction at military installations. The bill authorizes the Secretary of Defense to use for family housing construction in foreign countries, foreign currencies not to exceed \$250 million acquired through provisions of the Agricultural Trade Development and Assistance Act or other commodity transactions of CCC. This bill is now ready for the President. pp. 11010, 11015, 11025

SENATE

3. FORESTRY. The Government Operations Committee reported with amendment H. R. 8817, to provide for the conveyance of certain property of the U. S. to the city of Corbin, Ky. (S. Rept. 2430). p. 10929

4. EMPLOYEE SECURITY. The Rules and Administration Committee reported with amendment S. Res. 294, to extend further the time for a study of the Government employees security program. p. 10929 (no written report)
5. FOREIGN AID. The Rules and Administration Committee reported with amendment S. Res. 285, to provide for studies to be made regarding foreign assistance by the U. S. (S. Rept. 2434). p. 10929
Sen. Smith, Me., inserted a newspaper editorial opposing further aid to Yugoslavia. p. 11012
6. WATERSHEDS. Received from the Budget Bureau a plan for works of improvement of watershed projects; to Agriculture and Forestry Committee. p. 10930
7. FCA AUDIT. Received from the Comptroller General an audit report of the Farm Credit Administration for the fiscal year ending June 30, 1955; to Government Operations Committee. p. 10931
8. ELECTRIFICATION. Sen. Wiley inserted resolutions of the Dairyland Power Cooperative relating to various aspects of electrification and public power. p. 10937
Sen. Neuberger criticized opposition to the construction of the Hells Canyon dam, and inserted several articles on the matter. p. 10953
Sens. Gore and Goldwater discussed contributions made to the National Hells Canyon Assoc. p. 10956
9. SOIL BANK. Sen. Humphrey inserted a Farmers Union letter urging that the soil-bank program be expanded and liberalized because of the recent drought in certain areas. p. 10932
10. TAXATION. The Finance Committee reported with amendments H. R. 9083, to amend the Internal Revenue Code of 1954 so as to extend the law regarding amortization of grain-storage facilities (S. Rept. 2438). p. 10932
11. CCC. Senate conferees were appointed on S. 3820, to increase the borrowing power of the CCC. House conferees have not yet been appointed. p. 10956
12. PENALTY MAIL. Agreed to the House amendments to S. 1871, which extend the Penalty Mail Act provisions to Extension Directors and Experiment Stations. This bill will now be sent to the President. p. 10994
13. HOUSING. Sen. Sparkman and others urged passage of housing legislation during this session of Congress. p. 11013
14. EDUCATION. Sen. Humphrey claimed the Administration had not adequately supported passage of legislation for Federal aid to education. p. 11015
15. TREATIES. The Foreign Relations Committee submitted a report on the following treaties: (Ex. Rept. 9), p. 10933 Treaty of amity, economic relations, and consular rights between the U. S. and Iran.
Treaty of friendship, commerce, and navigation with Nicaragua;
Treaty of friendship, commerce, and navigation between the U. S. and the Netherlands.
16. LEGISLATIVE PROGRAM. Sen. Johnson announced that the following measures will be considered Wed., July 11: International Wheat Agreement; S. Res. 285, to study foreign aid program; H. R. 8817, for transfer of land to Corbin, Ky.; and S. Res. 294, extending time for study of employee security program. p. 11006

According to Mr. Cogley, "the characteristic attitude of industry people in Hollywood or on Madison Avenue is compounded of fear and shame * * * for the way the Communist problem has been handled." This will be news to most people.

LITTLE ELSE NEW

There is little else new in the two volumes of the report. Their tone could have been accurately forecast from the spirit of the original announcement of the project by the Fund for the Republic and the selection of Mr. Cogley to find documentation to support the preconceived idea that the industry had handled the Communists in a shameful way.

Initially the managers of the Fund for the Republic and Mr. Cogley assumed that there is blacklisting in the entertainment industry: that blacklisting is necessarily a bad practice; that only the innocents are hurt by the policies of trying to keep Communists out of motion pictures, television, and radio. Moreover, the Fund for the Republic apparently believes that most of those who have been conspicuous in anti-Communist work are vain, ambitious, self-seeking, cruel, and un-American.

In view of the fact that the fund itself has become controversial for its allegedly soft attitude on Communists and hard viewpoint on anti-Communists, it is not surprising that in identical introductions to the two volumes the fund attempts to deny its basic responsibility for the reports. Paul G. Hoffman, chairman of the board of directors, says that Mr. Cogley was given a free hand and "accepts responsibility for this report." The Fund for the Republic puts Mr. Cogley on the back as it shifts to him full responsibility. * * * "The board of the fund wishes to state its full confidence in the calm deliberation which he has given to its preparation. We believe he has done a thorough job."

The fundamental trouble is that while Mr. Cogley convinced his sponsors that he shared the fund's viewpoint on the subject before getting the assignment, his previous record includes no special experience or proven aptitude for the work. Not having a personal background of knowledge of the subject, Mr. Cogley and his research staff had to be guided by what people told him. Individual recollections of past actions and events are not always the surest guide to the whole truth. Moreover much of the research consisted in asking Mr. A what he thought of Mr. B and what Mr. B had been doing.

Mr. Cogley describes himself as a journalist. He is 40 years old. Born in Chicago, he received a Ph.D. degree there from Loyola University. He pursued advanced studies in philosophy and theology at the University of Fribourg in Switzerland after serving the whole of World War II in the United States Army Air Force. He joined Commonweal, a weekly edited by Catholics who pride themselves on maintaining a liberal viewpoint, in 1949 as feature editor. Later he became managing editor.

ABOUT HISTORICAL MATTERS

The Cogley report on movies is largely concerned with historical matters. The first chapter, "The 1947 Hearings," takes up the excitement in the industry generated by the hearings before the House Un-American Activities Committee in 1947 under J. Parnell Thomas. At that time Eric Johnston for the industry engaged Paul V. McNutt to head the defense. The effort miscarried and the industry position shifted rapidly when the stand taken by the "Unfriendly Ten" witnesses stirred up indignation not only among the theater patrons but also by many of the Hollywood associates of the witnesses.

Dore Schary is quoted in answering a question of the House committee about rehiring a Communist as follows: "I would not hesitate to rehire him if it was not proven

that he was a foreign agent." This is the viewpoint that Mr. Cogley and the Fund for the Republic have adopted although Mr. Schary dropped it. They apparently think if an individual is not proved personally guilty of subversion or espionage, he should be hired for any position in the entertainment industries. This viewpoint, of course, assumes that communism is only one of several divergent but legitimate political philosophies.

JOHNSTON STATEMENT

The first chapter ends with the statement issued by Mr. Johnston following the meeting November 24, 1947, at the Waldorf-Astoria. It was then that the industry adopted the position it has since maintained, "We will not knowingly employ a Communist or a member of any party or group which advocates the overthrow of the United States by force or by any illegal or unconstitutional methods." Mr. Cogley's uninformed approach is indicated on this important action when he cites the columnist Ed Sullivan in an assertion that Wall Street had "jiggled the strings" and forced the industry to act!

The chapter Communism in Hollywood is one of the best in the book. It points out well how the party there sought an elite corps and explained what the purposes of the Communist activity were. Mr. Cogley, however, allows himself to be dogmatic in making flat statements about the small number of Communists and the ignorance of the Hollywood Communists about the nature of the party. Since communism is a conspiracy, it is not possible to learn details of its workings except by informers, those who, for one reason or another, part company with their coconspirators. It is not possible to know now, or ever, exactly what the hard core of communism activity amounted to or to accurately weigh the motives of those who joined or gave support as sympathizers.

PROPAGANDA CHARGE

The report makes the statement that it was widely held that there was extensive Communists propaganda in Hollywood films. Widely held by whom? It may be asked. Certainly a few loose charges were made by uninformed persons but as the records of Motion Picture Herald show, released films did not further the cause of communism in any way.

Mr. Cogley is in rather unsure field for himself when he gets down to the chapter on Labor in Hollywood. He and his staff apparently made an attempt to get the facts and be objective but they seem to view developments of the past in the light of their present notions. There is a thinly veiled attempt to smear Roy Brewer by trying to implicate him in bribery and corruption as practiced by Willie Bioff and George Browne of the IATSE. Richard F. Walsh, Browne's successor as president, also receives less than his due by the inference that being a vice president under Browne he perhaps was involved in sinister practices. The relationship of Herb Sorrell to the Communist Party has long been a matter of controversy. The Cogley report throws no new light on the situation.

HOLLYWOOD STRIKES

The chapter on Hollywood strikes attempts to minimize all possible Communist aspects and plays up organized labor's struggle for power. Undoubtedly labor union policies had marked influence but one may wonder how the situation would be today if the IATSE with the anti-Communist policy of Mr. Walsh and Mr. Brewer had been supplanted by opponents of varying shades of Red.

In considering clearance in Hollywood passing reference is made to the difficulties encountered by persons active in anti-Communist work and also those who were friendly witnesses. The so-called system of clearances is treated by Mr. Cogley in a negative

way. It is criticized because it was informal and unofficial. Nothing is said of the positive benefits of the system. Over 200 creative workers in Hollywood were under public attack for their past records of Communist activity or membership in groups found to be allied with the Communists. As a result of the various clearance arrangements over 85 percent of the group have been able to resume their careers in films. Nowhere does Mr. Cogley consider the problem and the implications of the stand of the 30 individuals, including some of the unfriendly 10, who persist in failing to make clear their present position.

MASS HEARINGS

While the possibility exists that some unfriendly witnesses may still be proceeding under a misguided idealism that communism is a legitimate form of political belief and that the Congress has no business inquiring into it, most of the group must now be considered followers of the pernicious Communist Party line. Their refusal to stand up and be counted now must be interpreted as an action taken to advance Communist policies.

"The Mass Hearings" is the title of the section for the 1951 hearings under Congressman John S. Wood. The next chapter tells inadequately the role played by the American Legion in encouraging motion-picture companies to make films without the services of Communists and those following the Communist Party line. Mr. Cogley overlooks entirely the question of the American Legion as a reflector of American public opinion on a wide scale. Mr. Cogley also sometimes forgets that motion pictures are made to be seen by millions—they must be to make a profit. The psychological factor is of great importance in theater attendance. If a few million people stay away from a film because they deplore the reputation of a performer, the producing company would have a financial failure.

The difficulties individuals have had in writing letters to obtain clearance and renewed employment at the studios are outlined. No attention is given to the fact that there may be some who even at a late date are unwilling to speak the whole truth. A person who innocently became involved in communism or communistic causes does not like to have his mistakes publicized—no one does. At the other extreme a few in Hollywood may have been too closely connected with the Communist apparatus to wish or dare tell all they know.

"BLACKLISTING: AN INSTITUTION"

The final chapter of Mr. Cogley's work headed, "Blacklisting: An Institution" recites activities that some of the studios have carried on independently of any urging by outside individuals or organizations. It is never made quite clear whether Mr. Cogley believes that all named as Communists were not Communists or whether being a Communist or not makes no difference.

The first appendix is a long article on The Legal Aspects by Harold W. Horowitz, a member of the law faculty of the University of Southern California. Mr. Horowitz' conclusions are that generally the employee has no legal redress against an employer or prospective employer in matters of alleged "blacklisting." Self-restraint of the employers and public opinion are considered by the writer as providing the best available controls.

The second appendix is an article "Communism and the Movies—A Study of Film Content" by Dorothy B. Jones, identified as chief of film reviewing and analysis section of the OWI during World War II. Miss Jones has assembled a great deal of data to show what has been generally accepted; i. e. that the efforts to get Com-

munist propaganda on the screen through Hollywood pictures were unsuccessful.

The final sections of the Cogley report include lists which may be of interest to film historians—films in which the "Unfriendly Ten" worked and films in which those who later admitted Communist Party affiliation worked. There are other tables to show the nature of film content during the period. The list of box office champions from FAME are listed for the years from 1947 through 1954.

In the final paragraph of the second volume which would seem to sum up his views Mr. Cogley says, "The result is that the theater has a better conscience: it is freer. The characteristic attitude of industry people in Hollywood or on Madison Avenue is compounded of fear and shame."

SENATOR MUNDT AND FREDERICK WOLTMAN
SEE REPORT AS BRINGING JOY AND COMFORT
TO REDS

The two-volume report of the Fund for the Republic on blacklisting in the radio-television and motion picture industries aroused a storm of protest, especially among those who have long been leaders in the anti-Communist cause. This week two such leaders, in separate statements, agreed in almost the same phraseology that the reports "while not pro-Communist, cannot help but bring joy and comfort to the Reds."

These were the words of Frederick Woltman, Scripps-Howard feature writer and a specialist in Communist activities, in a page one article in the June 25 New York World-Telegram and Sun. The following day, Senator KARL MUNDT, Republican, South Dakota, put into the CONGRESSIONAL RECORD a statement in which he characterized the reports as "still another effort to give aid and comfort to the Communists, both here and abroad."

Referring specifically to the report on the radio-TV industry, Mr. Woltman said that it left three major conclusions:

"It can only add confusion to a major problem of the industry which has already been straightening itself out. That is, what to do with the actors, writers, and directors who are Communist backers or who have aided the Communist cause in the past without clearing their records.

"By the use of loaded expressions throughout and the selection and grouping of some facts and the omission of more salient facts, it gives a distorted and often false picture.

"Because its author, John Cogley, rubber-stamps the basic philosophy of the fund's own president, Robert M. Hutchins, the slant of the report runs counter to the mainstream of American thought."

Senator MUNDT praised both the motion picture and broadcasting industries for "very important strides" in cleaning out Communists. Recalling that he was a member of the House Un-American Activities Committee during the hearings on Communist activities in Hollywood, he said that the Motion Picture Association of America had been most helpful.

The Senator said that Hollywood producers and "to a lesser but to a substantial degree," the broadcasting industry have done their best to clean out the Communists. "It is disquieting and disillusioning, therefore," he said, "when the Fund for the Republic now levels the guns of its vast tax-exempt funds against the efforts to keep Communists out of the entertainment world."

Senator MUNDT's praise for the film industry was not unqualified. He said "millions of Americans would like to see the motion picture industry complete its job—because it is still unfinished business—of cleaning the Reds out of Hollywood." The Legion of Decency also was praised by the Senator for "apprising their people as to some of the Communist films."

INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, which was to strike out all after the enacting clause and insert:

INCREASE IN BORROWING AUTHORITY

SECTION 1. (a) Section 4 (1) of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714b (1)), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,000,000,000."

(b) Section 4 of the act of March 8, 1938, relating to the Commodity Credit Corporation, as amended (15 U. S. C. 713a-4), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,000,000,000."

AMENDMENT TO PENAL PROVISIONS

SEC. 2. Subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), is amended to read as follows:

"LARCENY; CONVERSION OF PROPERTY

"(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, or any property mortgaged or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender, shall, upon conviction thereof, if such property be of an amount or value in excess of \$500, be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both, and, if such property be of an amount or value of \$500 or less, be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representative thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO WEDNESDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon on Wednesday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, in order that all Senators may have information and be on notice, I announce that on Wednesday next the leadership expect a yea-and-nay vote, as is customary in connection with all treaties, on the International Wheat Agreement of 1956. That treaty will be called up Wednesday.

Consideration of Calendar No. 2000, Senate bill 3410, a bill to amend title 28, United States Code, to provide for the payment of annuities to widows and dependent children of judges is being postponed because it is impossible for the Senator from Missouri [Mr. HENNINGS] to be present to handle that bill today. We expect to proceed to consider it in the Senate on Wednesday next, so it is very likely that there will be some yea-and-nay votes on Wednesday.

CONTRIBUTIONS TO NATIONAL HELLS CANYON ASSOCIATION

Mr. GORE. Mr. President, on last Friday the distinguished and able junior Senator from Arizona [Mr. GOLDWATER] inserted in the RECORD a compilation of contributions made to the National Hells Canyon Association.

There must have been some misprint or error made in the compilation of the list which the junior Senator from Arizona placed in the RECORD at page 10790, because the list contains the name of the Tennessee Valley Authority. TVA has no authority to make any such contribution. I have made inquiry of TVA and have found that no such contribution was made. I am sure that this error occurred because there is an association of distributors of TVA power, as there are other such associations in other regions of the country, and that association made a contribution.

I am sure that the distinguished junior Senator from Arizona will be glad to correct the RECORD to that extent.

Mr. GOLDWATER. Mr. President, the insertion to which the distinguished junior Senator from Tennessee refers was supplied to me in the form of a photostatic copy of a statement issued by the National Hells Canyon Association. It showed contributions received by that association from June 1953 through August 12, 1955. It came to me through the American Federation of Labor of Oregon, whose president, I understand, is interested in this particular project.

In concluding my remarks on Friday I said:

An explanation of TVA's activity in this field would be very interesting.

I said, as the Senator from Tennessee has suggested, TVA has no authority to make such a contribution, and I thought it was rather unusual for a public body to contribute to this fund.

However, I am perfectly willing to accept the explanation of the Senator from Tennessee, because I believe, as he does, that there must be some mistake. Certainly TVA, a public body, would not violate the intent and purpose of the law to that extent.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 16, 1956
For actions of July 13, 1956
84th-2nd, No. 119

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HIGHLIGHTS: Senate passed following bills: Disposal of Akron synthetic rubber laboratory. Permit processors to buy cotton futures contracts. Ready for President. Broaden law on practices in marketing perishable commodities. Eliminate delay in starting watershed projects. Ready for President. Provide for Presidential appointment of Department's legal officers. Extend time for filing Government Security Commission Report. Both Houses received proposed legislation to implement International Wheat Agreement. Senate committee reported bills to: Renew lease to railroad on ARS land in Montana. Extend special school milk program to certain institutions. Senate committee ordered reported bill for humane slaughter methods. Senate committee ordered reported mutual security appropriation bill. Sen. Johnson urged additional drought assistance for livestock industry. House conferees appointed on CCC borrowing increase bill. House passed following bills: Simplify and facilitate (continued on page 6)

HOUSE

1. COMMODITY CREDIT CORPORATION. Conferees were appointed on S. 3820, to increase the borrowing authority of the CCC. Senate conferees were appointed on July 9. p. 11522
2. BUDGETING; ACCOUNTING. Passed with amendment S. 3897, to improve governmental budgeting and accounting methods and procedures. The amendment consisted of the insertion of the language of H. R. 11526, a similar bill, after having passed the House with committee amendments. H. R. 11526 was subsequently laid on the table. p. 11522
Rep McCormack requested and received permission for the Government Operations Committee to file, by Mon. midnight, a report on H. R. 11526. p. 11589
The "Daily Digest" states that the conferees agreed to file a conference report on H. R. 9593, to simplify accounting and facilitate the payment of

obligations. p. D801

3. CONTRACTS. Passed as reported H. R. 11947, to amend and extend (until Jan. 1, 1959) the provisions of the Renegotiation Act of 1951. p. 11550
4. TRANSPORTATION. Passed as reported S. 898, to amend the Interstate Commerce Act so as to authorize ICC to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property, but to prohibit regulation of the duration of, the terms of pay under, certain trip-leasing arrangements. p. 11572
5. FARM LOANS. Conferees were appointed on H. R. 11544, to improve and simplify the credit facilities available to farmers, and to amend the Bankhead-Jones Farm Tenant Act. Senate conferees were appointed on July 12. p. 11577
6. MARKETING. Began debate on H. R. 4054, to provide a system of mortgage insurance to municipal and other political subdivisions of the States, to be administered by USDA, for the expansion of public marketing of perishable commodities. p. 11577
7. RECLAMATION; ELECTRIFICATION. Passed with amendment S. 497, to authorize the construction, operation, and maintenance of the Washoe reclamation project, Nev. and Calif. The amendment to S. 497 consisted of inserting the language of H. R. 10643, a similar bill, after having passed the House without amendment. H. R. 10643 was subsequently laid on the table. p. 11582
8. GRAIN STANDARDS. The Subcommittee on Wheat of the Agriculture Committee ordered reported to the full committee S. 1400, to protect the integrity of grade certificates under the U. S. Grain Standards Act by providing penalties for persons who knowingly sample grain improperly and for persons who knowingly load or otherwise handle grain deceptively for inspection under the Act. p. D799
9. FARM LABOR. The Subcommittee on Transportation and Communication of the Interstate and Foreign Commerce Committee ordered reported to the full committee S. 3391, to provide for reasonable requirements regarding comfort, safety, etc., of the interstate transportation of migrant farm workers. p. D800
10. WILDLIFE. The Merchant Marine and Fisheries Committee ordered reported H. R. 8250, to require conformance with State and Territorial fish and game laws and licensing requirements on Federal lands not subject to such laws. p. D800
11. LAND TRANSFER. Agreed to the Senate amendments to H. R. 8817, to provide for the transfer of certain Forest Service land to the city of Corbin, Ky. This bill is now ready for the President. p. 11577
12. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program for July 16 - 20: Mon., Consent calendar and the civil-rights bill; Tues., Private calendar; Wed., Committee Calendar; and balance of the week: AEC appropriation authorization increase, Defense Department point of order bill, marketing facilities bill, and bill to amend Public Law 480, 83d Congress. p. 11589
13. ADJOURNED until Mon., July 16. pp. 11589, 11595

House of Representatives

FRIDAY, JULY 13, 1956

The House met at 12 o'clock noon.

Rev. George Lyon Pratt, rector, Church of the Advent, Los Angeles, Calif., offered the following prayer:

Almighty and everlasting God, who hast laid deep the foundations of this Nation through the examples and lives of Thy servants who have preceded us, grant to all those to whom Thou hast entrusted the authority of government the wisdom to learn from the past those things which have made us great among the nations of the earth and not only the knowledge to understand the needs and demands of our own day, but also the courage and vision to fulfill the same. And then, O Lord, when we shall have served Thee in our generation, may our children and our children's children say: "Our fathers have served us well." All which we ask in Thy name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and concurrent resolutions of the House of the following titles:

H. R. 5838. An act to provide that payment be made to certain members of the Pine Ridge Sioux Tribe of Indians as reimbursement for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range;

H. R. 6501. An act to amend the act of July 17, 1914, to permit the disposal of certain reserve mineral deposits under the mining laws of the United States;

H. R. 8288. An act to suspend for 2 years the duty on crude bauxite and on calcined bauxite;

H. R. 9137. An act to waive section 142, of title 28, United States Code, with respect to the United States District Court for the Western District of North Carolina holding court at Bryson City, N. C.;

H. R. 9333. An act to amend the Commodity Exchange Act to provide for hedging anticipated requirements of processors and manufacturers;

H. R. 9578. An act to provide for the conveyance of an interest of the United States in and to certain lands in Colorado;

H. R. 10204. An act authorizing the Administrator of General Services to transfer certain land to Richard M. Tinney and John T. O'Connor, Jr.;

H. R. 10269. An act to provide for the temporary suspension of the duty on certain alumina;

H. R. 11006. An act to provide for the striking of medals in commemoration of the 100th anniversary of the birth of the late Justice Louis Dembitz Brandeis;

H. R. 11520. An act to provide for the transfer of certain property situated in the State of Maine to the town of Castine, Maine;

H. R. 11873. An act to amend the Watershed Protection and Flood Prevention Act so as to eliminate delay in the start of projects;

H. R. 11995. An act to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1956;

H. J. Res. 569. Joint resolution to provide for a medal to be struck and presented to each surviving veteran of the War Between the States;

H. Con. Res. 242. Concurrent resolution providing for 10 thousand additional copies of the report entitled "Special Study Mission to the Middle East, South, and Southeast Asia, and the Western Pacific";

H. Con. Res. 243. Concurrent resolution authorizing the printing as a House document of the Constitution of the United States together with the Declaration of Independence, and providing for additional copies;

H. Con. Res. 244. Concurrent resolution to provide for a joint committee of the Congress to represent the Congress at the unveiling of the Commodore John Barry Memorial at Wexford, Ireland, on September 16, 1956;

H. Con. Res. 245. Concurrent resolution authorizing the printing of additional copies of House Report No. 2189, 84th Congress, 2d session;

H. Con. Res. 248. Concurrent resolution authorizing the Joint Committee on Atomic Energy to print 30,000 additional copies of the hearings of the Research and Development Subcommittee on "Shortage of Scientific and Engineering Manpower"; and

H. Con. Res. 251. Concurrent resolution authorizing reprinting of House Document 210 of the 83d Congress.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 10285. An act to merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations, and for other purposes;

H. R. 11683. An act to authorize permanent appointments in the Armed Forces of the United States, and for other purposes; and

H. J. Res. 472. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11544. An act to improve and simplify the credit facilities available to farmers, to amend the Bankhead-Jones Farm Tenant Act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South

Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 300. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado;

S. 1696. An act to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes;

S. 3779. An act to amend the act of August 27, 1954 (68 Stat. 868), with respect to the Uintah and Ouray Reservation in Utah; and

S. 4146. An act providing for a civilian atomic power acceleration program.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 146. An act for the relief of Isabel Tre;

S. 1895. An act for the relief of Anna Maria Fuller; and

S. 3163. An act to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating in Hawaii and Alaska.

The message also announced that the Senate recedes from its amendment to the bill (H. R. 2854) entitled "An act to amend title 18 of the United States Code, so as to increase the penalties applicable to seditious conspiracy, advocating overthrow of Government, and conspiracy to advocate overthrow of Government."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1622) entitled "An act to authorize the Secretary of the Interior to make payment for certain improvements located on public lands in the Rapid Valley unit, South Dakota, of the Missouri River Basin project, and for other purposes."

The message also announced that the Senate had appointed the Senator from Vermont, Mr. FLANDERS, to be a conferee on the bill (H. R. 5265) entitled "An act to exempt certain additional foreign travel from the tax on the transportation of persons," in lieu of the Senator from Pennsylvania, Mr. MARTIN.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of execu-

tive papers referred to in the report of the Archivist of the United States numbered 57-1.

AUTHORIZING PERMANENT APPOINTMENTS IN THE ARMED FORCES OF THE UNITED STATES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11683) to authorize permanent appointments in the Armed Forces of the United States, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, line 12, after "law", insert "except service credited under section 103 (A) (1) and (2) of this title."

Page 6, line 14, strike out "sections 509 and 514" and insert "section 514."

Page 13, line 8, strike out "December 7" and insert "December 6."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and TALLE.

GOVERNMENT ACCOUNTING AND PROCEDURE METHODS

Mr. DAWSON of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11526) to improve governmental budgeting and accounting methods and procedures, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. DAWSON of Illinois. Mr. Speaker, the bill as amended would have the President's budget contain information on program costs and accomplishments and the development of cost-based budgets for the various departments and agencies. It would provide for the achievement of consistency in accounting and budget classification and the

simplification of apportionments. It would also require the accounts of the departments and agencies to be maintained on an accrual basis so that if the Congress at some time in the future should decide on an accrued expenditure budget the necessary accounting foundation will have been laid.

Mr. Speaker, the amendment was proposed upon the suggestion of the chairman of the Committee on Appropriations and the minority member of the Committee on Appropriations. We feel that this is a good bill and should be enacted into law. It will accomplish many benefits as far as cost is concerned in the operation of our Government.

Mr. TABER. Will the bill be presented with the amendment that the committee has agreed on?

Mr. DAWSON of Illinois. Yes. The Senate passed a similar bill, S. 3897, which contains the provision that our amendment dropped out. Of course, it will go to conference, and I am sure in conference the Senate will agree with us that it should have been dropped.

Mr. TABER. That satisfies me.

[Mr. CANNON'S remarks will appear hereafter in the Appendix.]

Mr. ROGERS of Florida. Mr. Speaker, I want to commend the Government Operations Committee of the House, and especially Hon. WILLIAM L. DAWSON, the chairman of the Subcommittee of Executive and Legislative Reorganization, for the splendid work done in reporting out H. R. 11526, to bring about needed changes in the accounting procedures of our Government, which is now before the House. I would also like at this time to state for the record what fine help Majority Leader JOHN MCCORMACK rendered in the consideration of this measure. Also, the Honorable GLENARD LIPSCOMB devoted much time and study to this problem and has been a driving force, along with Congressman DANTE FASCELL, both of whom are members of the Committee of Government Operations. Hearings were quickly held, due to the courtesy of the chairman and members of the committee, and reported to the House so that it might be considered during this session of the Congress.

The bill as I introduced it would carry out the recommendations of the Second Hoover Commission to revise our governmental budgeting and accounting procedures, and would accomplish two broad objectives: First, improve financial administration in the executive branch; and, second, substantially strengthen congressional control over the financial affairs of the Federal Government. It would reform and improve our accounting system by placing our Government accounting and budgeting process on a more realistic and orderly basis, and as introduced, this measure would require that Government agencies prepare their budget estimates on an accrued annual expenditure basis and that budgets be prepared on an accrued cost basis. The measure as introduced was approved by the Bureau of the Budget, the Comptroller General, the Treasury Department, and has been vigorously backed by the Chamber of Commerce of the United States, the General Federa-

tion of Women's Clubs, and the Citizens Committee for the Hoover Commission, as well as other organizations. Mr. J. Harold Stewart, Chairman of the Hoover Commission Task Force on Budget and Accounting, has taken a great interest and has been most helpful.

The Government Operations Committee, in deference to the testimony of Congressmen CANNON and TABER of the Appropriations Committee, amended the bill to strike out that portion providing that the budget be submitted on an annual accrued expenditure basis. Of course, this is one of the most vital features of the bill, as introduced, and it is my intention if I am a Member of the 85th Congress, to again introduce legislation to carry out this provision.

However, I do feel that the passage of the legislation in its present form is a step forward in getting into effect a revision of the accounting procedures of our Government and will lay the groundwork for a more businesslike operation of our Government, which will effect great savings.

(Mr. ROGERS of Florida asked and was given permission to revise and extend his remarks.)

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT, 1921

SECTION 1. (a) Section 201 of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 11), is further amended by inserting "(a)" after the words "Sec. 201.", by changing subsection (a) to subparagraph (1); by adding after subparagraph (1) a new subparagraph "(2) at such times as may be practicable, information on program costs and accomplishments"; by changing subsections (b) through (j) to subparagraphs (3) through (11), respectively; and by adding the following new subsections:

"(b) The amounts of proposed appropriations referred to in sections 201 (a) and 203 of this act shall, to the maximum extent deemed desirable and practicable by the President, be determined on an annual accrued expenditure basis.

"Annual accrued expenditures' shall relate to goods and services to be received in a fiscal year, advance payments, progress payments, and such other payments as are authorized by law to be made in such fiscal year.

"This subsection shall not apply to appropriations made specifically for the payment of claims certified by the Comptroller General and of judgments; appropriations for the refund of Federal taxes and of other moneys erroneously received and covered into the Treasury of the United States; appropriations made by private relief acts of Congress; appropriations for the payment of interest on trust funds; revolving funds or appropriations thereto; appropriations for the payment to former members of the Armed Forces, their dependents and beneficiaries, of any benefits to which they are entitled by reason of military service; appropriations for the payment of pensions and annuities; appropriations for the payment of any obligation of the United States for which liability is fixed by treaty; and other appropriations or funds analogous to the foregoing.

"(c) The conversion to the use of annual accrued expenditures for stating proposed appropriations in accordance with section 201 (b) of this act shall be accomplished in

July 18, 1956

14. ELECTRIFICATION. Began debate on S. 1333, providing for the construction, operation, and maintenance of the Hells Canyon Dam (p. 12215). Several Senators discussed and inserted material relative to the construction of the dam (pp. 12053, 12123, 12131, 12132, and 12197).
15. ATOMIC ENERGY. Passed without amendment S. 4203, to amend the Atomic Energy Act of 1954. p. 12062
16. FOREIGN TRADE. Passed with amendments H. R. 6040, to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws. Conferees were appointed. pp. 12062, 12064, 12097, 12101
17. HOOVER COMMISSION. Sen. Kennedy commended the progress made by the Government Operations Committee in clearing legislation for implement^{ing} the reports of the Hoover Commission, inserted a list of bills upon which action had been taken, and expressed hope other reports would be acted on during the next session of Congress. p. 12099
18. COTTON. Passed with amendment S. Res. 236, urging immediate consideration of the impact of imports of textiles and other products upon the domestic market and directing the Tariff Commission to expedite escape clause investigations and to give them priority wherever practicable. As agreed to the Resolution provides that it is the sense of the Senate that the President should give immediate consideration to the impact of imports of textiles and textile products on the cotton industry, with a view to determining whether the authority granted to him under section 22 of the Agricultural Adjustment Act, as amended, section 204 of the Agricultural Act of 1956, the Trade Agreements Extension Act of 1951, as amended, section 350 of the Tariff Act of 1930, as amended, or other law, should be exercised with respect to imports of any textiles or textile products. pp. 12110, 12121
19. LEGISLATIVE PROGRAM. Sen. Johnson announced that the watershed bill and the executive pay bill will be taken up as soon as possible. p. 12063
20. APPROPRIATIONS. Agreed to limitation of debate on the mutual security appropriation bill when it comes up for consideration, possibly this week. p. 12096
21. AREA ASSISTANCE. S. 2663, as reported (see Digest 118), to establish a program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, provides for establishment of an Area Redevelopment Administration within the executive branch under an Administrator; the establishment of a Government Advisory Committee on Area Redevelopment composed of certain heads of departments and agencies, including the Secretary of Agriculture; the appointment of a National Public Advisory Committee on Area Redevelopment composed of representatives of labor, management, agriculture, and the general public; the designation by the Administrator of "industrial redevelopment areas" and "rural redevelopment areas" in accordance with certain criteria; the conduct of special studies by the USDA upon request of the Administrator; and the issuance by the Administrator, with the approval of the President, of notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$225,000,000 to obtain funds for loans in carrying out redevelopment activities provided for in the bill. The committee report discusses the need for further development of underdeveloped rural areas and reviews the progress of this Department in this general area of activity.

HOUSE

22. FOREIGN TRADE. Passed with amendment S. 3903, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase from \$1,500,000,000 to \$3,000,000,000 the amount for purposes of title I of the Act. The amendment to S. 3903 consisted of the insertion of the language of H. R. 11708, a similar bill, as amended and passed by the House. A provision of H. R. 11708 to authorize assistance to American-sponsored schools abroad was deleted by a point of order against it raised by Rep. Curtis, and a provision to authorize certain barter arrangements with communist-dominated countries was nullified by an amendment by Rep. Dodd prohibiting such barter arrangements by a vote of 92 to 62. The House also adopted amendments to provide that commodities disposed of under the Act must be in addition to sales of such commodities through normal world trade (by Rep. Whitten); to provide that fresh and frozen fruit be exempt from the provisions of cargo preference laws (by Reps. Mathews and Roosevelt); and to provide that the CCC shall make available to the President, for certain relief purposes, food in storage when certain urgent or extraordinary conditions exist (by Rep. Cooley). The bill, H. R. 11708, as amended, passed by a vote of 389 to 6. p. 12147

23. COMMODITY CREDIT CORPORATION. Received the conference report on S. 3820, to increase the borrowing authority of the CCC from \$12 billion to \$14.5 billion, make it a Federal offense to willfully steal or convert property mortgaged to a lending agency under a CCC program, and provide that offenses under the Act involving amounts of \$500 or less be reduced from a felony to a misdemeanor (H. Rept. 2772). p. 12174.

24. AGRICULTURE COMMITTEE Reported the following bills: p. 12195

S. 1079, with amendment, to authorize the Secretary of Agriculture to sell at not less than the appraised value, and under such terms and conditions as he deems appropriate, lands in the national forests which are isolated parcels or narrow projecting strips, when he finds such lands suitable for private ownership and better adapted to commercial, agricultural, residential, or private purposes other than to national forest purposes (H. Rept. 2791).

S. 2216, without amendment, to amend the Act of March 4, 1915, to permit the use and occupancy of national forest lands for industrial and commercial purposes, and by States or political subdivisions for constructing facilities for education or other public uses (H. Rept. 2792).

H. R. 5275, with amendment, to authorize FCIC to provide reinsurance on any crop or plantation insurance provided in Puerto Rico by a duly-authorized agency of the Commonwealth of Puerto Rico (H. Rept. 2794).

H. R. 11958, without amendment, to amend the acreage reserve provisions of the Soil Bank Act to permit inclusion of certain drought damaged acreage up to 30 days prior to harvest (H. Rept. 2795).

25. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) S. 2875, to revise the Civil Service Retirement Act. The "Daily Digest" states that "as amended the major provisions of the House Committee approved bill are: 1. Maintain employee deductions at 6 percent and increase Members of Congress deductions to 7 percent; 2. provide annuity formula of 1 percent plus \$30 or 1 3/4 percent, whichever is the greater; 3. right to elect a survivorship annuity with the employee's annuity being reduced 3 percent on the first \$2,400 and 10 percent in excess of \$2,400; 4. retain the present right to retire at age 55 with 30 years of service;

COMMODITY CREDIT CORPORATION BORROWING POWER

JULY 18, 1956.—Ordered to be printed

MR. SPENCE, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany S. 3820]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

INCREASE IN BORROWING AUTHORITY]

SECTION 1. (a) Section 4 (i) of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714b (i)), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000".

(b) Section 4 of the Act of March 8, 1938, relating to the Commodity Credit Corporation, as amended (15 U. S. C. 713a-4), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000".

AMENDMENT TO PENAL PROVISIONS

SEC. 2. Subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), is amended to read as follows:

"LARCENY, CONVERSION OF PROPERTY

"(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, or any property mortgaged

or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender, shall, upon conviction thereof, if such property be of an amount or value in excess of \$500, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both, and, if such property be of an amount or value of \$500 or less, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment.

INCREASE IN BORROWING AUTHORITY

Both the Senate bill and the House amendment contained provisions increasing the borrowing authority of the Commodity Credit Corporation from the present ceiling of \$12 billion. In the case of the House amendment the increase in borrowing authority provided was \$2 billion as contrasted to the \$2.5 billion provided for in the Senate bill. The House Banking and Currency Committee reported its bill (H. R. 11132) dealing with Commodity Credit Corporation prior to enactment of the Agricultural Act of 1956. That act requires the Commodity Credit Corporation to make the cash redemption of certificates issued to producers cooperating in the new soil-bank program. Provision was made for the use of Commodity Credit Corporation funds in advance of appropriations until June 30, 1957, to finance operations of the soil-bank program. The Senate bill, which was reported after enactment of the soil-bank legislation, included an allowance of an additional \$500 million increase in Commodity Credit Corporation borrowing authority, largely for the purpose of initially financing the soil-bank operations. The conference substitute retains this provision of the Senate bill.

PENAL PROVISIONS

The House amendment contained provisions making two changes in the penal provisions of the Commodity Credit Corporation Charter Act. One of these would make it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency—such as a private bank—under a program of the Commodity Credit Corporation. The other change would reduce from a felony to a misdemeanor offenses involving property of a value of \$500 or less in order to facilitate the prosecution of relatively minor violations and thus facilitate policing of such violations. No similar provision was included in the Senate bill as the Senate had previously passed another

bill (S. 3669) containing identical provisions. The Conference substitute retains these provisions of the House amendment.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,

Managers on the Part of the House.



sophisticated. A few of them took the ads. Then he continued to use this advertising, and he increased his customers who took the fabrics as shown in the ads.

Soon he had more advertising for his fabrics as clothes or as bedsheets and pillowcases than he could handle, because the output of his factory was not large enough to supply the orders. In other words he conducted a successful advertising campaign and in that manner he developed his business into a successful venture.

He told me in his own words about 2 years ago that inside of 5 years he had every single person selling fabrics in New York and all the magazines in New York that carried their ads asking him if they could buy some of his goods and get more of his advertising. That is the way he developed the fabric industry, just by advertising and showing what could be done. It is a tremendously remarkable record, because of his skillful operations of his textile factories and the use of clever ads to show the persons using the fabrics the many uses to which they could be put.

I think that is the way the New England people can likewise build up their fabric industry. Incidentally, we have quite a large fabric industry in southern California.

(By unanimous consent the pro forma amendments were withdrawn.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think there are any other amendments to be offered. Before we finish consideration of this bill I would just like to emphasize that even though the section which authorizes the barter transactions to satellite countries has been eliminated to all intents and purposes, the fact remains that this bill is of vital importance. Our Government, as I said during the debate, has obligated substantially all of the first \$1,500,000,000 and in addition has negotiated, we understand, many important transactions which cannot possibly be completed and consummated unless this additional authority is granted which is now provided in section 1 of the bill. I hope therefore no one will vote against the bill now thinking it is a bad or vicious measure, because certainly it is essential to the welfare of all of our people. It is vital to our foreign-aid program and to our foreign policy also that we authorize the increase to \$3 billion for the Commodity Credit Corporation, and I hope the bill will be passed and that this program can be carried on and expanded.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRESTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11708) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the Speaker announced that the Ayes appeared to have it.

Mr. DORN of South Carolina. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 389, nays 6, not voting 37, as follows:

[Roll No. 104]

YEAS—389

Abbott	Bolton	Cooper
Abernethy	Frances P.	Corbett
Adair	Bolton	Coudert
Addonizio	Oliver P.	Cramer
Albert	Bonner	Cretella
Alexander	Bosch	Crumpacker
Alger	Bow	Cunningham
Allen, Calif.	Bowler	Curtis, Mass.
Allen, Ill.	Boykin	Curtis, Mo.
Andersen	Boyle	Dague
H. Carl	Bray	Davidson
Andresen	Brooks, La.	Davis, Ga.
August H.	Brown, Ga.	Davis, Tenn.
Andrews	Brown, Ohio	Dawson, Ill.
Anfuso	Brownson	Dawson, Utah
Arend	Broyhill	Deane
Ashley	Buckley	Delaney
Ashmore	Budge	Dempsey
Aspinall	Burdick	Denton
Auchincloss	Burnside	Derounian
Avery	Bush	Devereux
Ayres	Byrd	Dies
Baker	Byrne, Pa.	Diggs
Baldwin	Byrnes, Wis.	Dingell
Barden	Canfield	Dixon
Barrett	Cannon	Dodd
Bass, N. H.	Carlyle	Dollinger
Bates	Carrigg	Dolliver
Baumhart	Cederberg	Dondero
Beamer	Celler	Donohue
Becker	Chase	Donovan
Belcher	Chelf	Dorn, N. Y.
Bennett, Fla.	Chenoweth	Dorn, S. C.
Bennett, Mich.	Chiperfield	Dowdy
Berry	Christopher	Doyle
Betts	Chudoff	Durham
Blatnik	Church	Edmondson
Blitch	Clark	Elliott
Boggs	Cole	Ellsworth
Boland	Cooley	Engle
Bolling	Coon	Evins

Feighan	Fascell
Fenton	Feighan
Fernandez	Fenton
Fino	Fernandez
Fisher	Fino
Fjare	Fisher
Flood	Fjare
Flynt	Flood
Fogarty	Flynt
Forand	Fogarty
Ford	Forand
Forrester	Ford
Fountain	Forrester
Frazier	Fountain
Frelinghuysen	Frazier
Friedel	Frelinghuysen
Fulton	Friedel
Gary	Fulton
Gavin	Gary
Gentry	Gavin
George	Gentry
Grant	George
Gray	Grant
Green, Oreg.	Gray
Green, Pa.	Green, Oreg.
Gregory	Green, Pa.
Griffiths	Gregory
Gross	Griffiths
Gubser	Gross
Gwinn	Gubser
Hagen	Gwinn
Hale	Hagen
Haley	Hale
Hand	Haley
Harden	Hand
Hardy	Harden
Harris	Hardy
Harrison, Nebr.	Harris
Harrison, Va.	Harrison, Nebr.
Harvey	Harrison, Va.
Hays, Ark.	Harvey
Hays, Ohio	Hays, Ark.
Hayworth	Hays, Ohio
Healey	Hayworth
Henderson	Healey
Herlong	Henderson
Heseltun	Herlong
Hess	Heseltun
Hiestand	Hess
Hill	Hiestand
Hillings	Hill
Hinshaw	Hillings
Hoeven	Hinshaw
Hoffman, Mich.	Hoeven
Hollifield	Hoffman, Mich.
Holland	Hollifield
Holmes	Holland
Holt	Holmes
Holtzman	Holt
Hope	Holtzman
Horan	Hope
Hosmer	Horan
Huddleston	Hosmer
Hull	Huddleston
Hyde	Hull
Ikard	Hyde
Jackson	Ikard
James	Jackson
Jarman	James
Jenkins	Jarman
Jennings	Jenkins
Jensen	Jennings
Johansen	Jensen
Johnson, Calif.	Johansen
Johnson, Wis.	Johnson, Calif.
Jonas	Johnson, Wis.
Jones, Ala.	Jonas
Jones, Mo.	Jones, Ala.
Jones, N. C.	Jones, Mo.
Judd	Jones, N. C.
Karsten	Judd
Kean	Karsten
Kearney	Kean
Kearns	Kearney
Keating	Kearns
Kee	Keating
Kelly, N. Y.	Kee
Keogh	Kelly, N. Y.
Kilburn	Keogh
Kilday	Kilburn

Kilgore	Kilgore
King, Calif.	King, Calif.
King, Pa.	King, Pa.
Kirwan	King, Pa.
Klein	Kirwan
Kluczynski	Klein
Knox	Kluczynski
Knutson	Knox
Krueger	Knutson
Laird	Krueger
Landrum	Laird
Lanham	Landrum
Lankford	Lanham
Latham	Lankford
LeCompte	Latham
Lesinski	LeCompte
Lipscomb	Lesinski
Long	Lipscomb
Lovre	Long
McCarthy	Lovre
McConnell	McCarthy
McCormack	McConnell
McCulloch	McCormack
McDonough	McCulloch
McGregor	McDonough
McIntire	McGregor
McMillan	McIntire
McVey	McMillan
Maddison	McVey
Machrowicz	Maddison
Mack, Ill.	Machrowicz
Mack, Wash.	Mack, Ill.
Madden	Mack, Wash.
Magnuson	Madden
Mahon	Magnuson
Mailliard	Mahon
Marshall	Mailliard
Martin	Marshall
Matthews	Martin
Meader	Matthews
Merron	Meader
Metcalf	Merron
Miller, Calif.	Metcalf
Miller, Md.	Miller, Calif.
Miller, Nebr.	Miller, Md.
Miller, N. Y.	Miller, Nebr.
Mills	Miller, N. Y.
Minshall	Mills
Morano	Minshall
Morgan	Morano
Morrison	Morgan
Moss	Morrison
Moulder	Moss
Multer	Moulder
Mumma	Multer
Murray, Ill.	Mumma
Murray, Tenn.	Murray, Ill.
Natcher	Murray, Tenn.
Nicholson	Natcher
Norblad	Nicholson
Norrell	Norblad
O'Brien, Ill.	Norrell
O'Brien, N. Y.	O'Brien, Ill.
O'Hara, Ill.	O'Brien, N. Y.
O'Konski	O'Hara, Ill.
O'Neill	O'Konski
Osmers	O'Neill
Ostertag	Osmers
Patterson	Ostertag
Pelly	Patterson
Perkins	Pelly
Pfost	Perkins
Philbin	Pfost
Phillips	Philbin
Pilcher	Phillips
Pillion	Pilcher
Poage	Pillion
Poff	Poage
Polk	Poff
Powell	Polk
Preston	Powell
Price	Preston
Prouty	Price
Quigley	Prouty
Rabaut	Quigley
Radwan	Rabaut
Rains	Radwan
Ray	Rains
Reece, Tenn.	Ray
Reed, N. Y.	Reece, Tenn.
Rees, Kans.	Reed, N. Y.

NAYS—6

Colmer	Garmatz
Fallon	Smith, Kans.
Bailey	Chatham
Bass, Tenn.	Clevenger
Bell	Davis, Wis.
Bentley	Eberharter
Brooks, Tex.	Gamble
Burleson	Gathings
Carnahan	Gordon

NOT VOTING—37

Reuss	Reuss
Rhodes, Ariz.	Rhodes, Ariz.
Rhodes, Pa.	Rhodes, Pa.
Richards	Richards
Riehlman	Richards
Riley	Riehlman
Rivers	Riley
Roberts	Rivers
Robeson, Va.	Roberts
Robison, Ky.	Robeson, Va.
Rodino	Robison, Ky.
Rogers, Colo.	Rodino
Rogers, Fla.	Rogers, Colo.
Rogers, Mass.	Rogers, Fla.
Rogers, Tex.	Rogers, Mass.
Rooney	Rogers, Tex.
Roosevelt	Rooney
Rutherford	Roosevelt
Sadlak	Rutherford
St. George	Sadlak
Saylor	St. George
Schenck	Saylor
Schwengel	Schenck
Scrivner	Schwengel
Seely-Brown	Scrivner
Selden	Seely-Brown
Sheehan	Selden
Shelley	Sheehan
Sheppard	Shelley
Shuford	Sheppard
Sieminski	Shuford
Sikes	Sieminski
Siler	Sikes
Simpson, Ill.	Siler
Simpson, Pa.	Simpson, Ill.
Sisk	Simpson, Pa.
Smith, Miss.	Sisk
Smith, Va.	Smith, Miss.
Spence	Smith, Va.
Springer	Spence
Staggers	Springer
Steed	Staggers
Sullivan	Steed
Taber	Sullivan
Talle	Taber
Taylor	Talle
Teague, Calif.	Taylor
Teague, Tex.	Teague, Calif.
Thompson	Teague, Tex.
Thompson, Mich.	Thompson
Thompson, N. J.	Thompson, Mich.
Thompson, Tex.	Thompson, N. J.
Thomson, Wyo.	Thompson, Tex.
Tollefson	Thomson, Wyo.
Trimble	Tollefson
Tuck	Trimble
Tumulty	Tuck
Utt	Tumulty
Vanik	Utt
Van Felt	Vanik
Van Zandt	Van Felt
Velde	Van Zandt
Vinson	Velde
Vorys	Vinson
Vursell	Vorys
Wainwright	Vursell
Watts	Wainwright
Weaver	Watts
Westland	Weaver
Wharton	Westland
Whitten	Wharton
Widnall	Whitten
Wier	Widnall
Wigglesworth	Wier
Williams, Miss.	Wigglesworth
Williams, N. J.	Williams, Miss.
Williams, N. Y.	Williams, N. J.
Willis	Williams, N. Y.
Wilson, Calif.	Willis
Wilson, Ind.	Wilson, Calif.
Withrow	Wilson, Ind.
Wolcott	Withrow
Wolverton	Wolcott
Wright	Wolverton
Yates	Wright
Young	Yates
Younger	Young
Zablocki	Younger
Zelenko	Zablocki
Thomas	Zelenko
Winstead	Thomas

Mollohan	Scherer	Thornberry
Nelson	Scott	Udall
O'Hara, Minn.	Scudder	Walter
Passman	Short	Wickersham
Patman	Smith, Wis.	
Priest	Thompson, La.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Halleck.
Mr. Patman with Mr. Short.
Mr. Thompson of Louisiana with Mr. Davis of Wisconsin.
Mr. Brooks of Texas with Mr. Clevenger.
Mr. Carnahan with Mr. Mason.
Mr. Burleson with Mr. Smith of Wisconsin.
Mr. Mollohan with Mr. Scherer.
Mr. Gordon with Mr. O'Hara of Minnesota.
Mr. Gathings with Mr. Gamble.
Mr. Bel with Mr. Hoffman of Illinois.
Mr. Thornberry with Mr. Bentley.
Mr. Walter with Mr. Scott.
Mr. Bailey with Mr. Nelson.
Mr. Kelley of Pennsylvania with Mr. Scudder.

Mrs. BLITCH changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3903) to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for the purposes of title I of the act, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. TABER. Reserving the right to object, Mr. Speaker, if I understood the request, it was that the Senate bill be substituted.

Mr. THOMPSON of Texas. No. I expect to offer the House bill, just passed, as an amendment.

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, I move to strike out all after the enacting clause in the bill, S. 3903, and insert the provisions of the House bill just passed, H. R. 11708.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 11708, was laid on the table.

The resolution providing for consideration of the House bill was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks prior to the passage of the bill, H. R. 11708.

The SPEAKER. Is there objection? There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on July 16, 1956, the President approved and signed bills of the House of the following titles:

H. R. 8228. An act to suspend for 2 years the duty on crude bauxite and on calcined bauxite;

H. R. 8636. An act to continue until the close of June 30, 1957, the suspension of duties and import taxes on metal scrap, and for other purposes; and

H. R. 10269. An act to provide for the temporary suspension of the duty on certain alumina.

NATIONAL POLICY WITH RESPECT TO FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3275, an act to establish a sound and comprehensive national policy with respect to fisheries; to strengthen the fisheries segment of the national economy; to establish within the Department of the Interior a Fisheries Division; to create and prescribe the functions of the United States Fisheries Commission; and for other purposes, with House amendments, insist on the amendments of the House and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to know what this bill is.

Mr. BONNER. The Senate passed one bill practically reorganizing the Fish and Wildlife Service of the Department of the Interior. There was great discord among the sports fishermen of the Nation with respect to the Senate bill and some disagreement by the commercial fishermen of America with respect to the bill. The House held extensive hearings, bringing in all parties interested in the subject and worked out a bill that was agreeable to the sports fishermen and to the commercial fishermen and to the hunters of the Nation.

Mr. HOFFMAN of Michigan. Is this the bill where it is proposed to separate some of the functions?

Mr. BONNER. This sets up commercial fishing and a Fish and Wildlife Service that includes in the fish and wildlife sport fishing.

Mr. HOFFMAN of Michigan. I withdraw my reservation of objection, Mr. Speaker.

Mr. MARTIN. The request is merely to send it to conference?

Mr. BONNER. That is true.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BONNER]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BONNER, Mr. BOYKIN, Mr. KLUCZYNSKI, Mr. TOLLEFSON, and Mr. ALLEN of California.

AUTHORIZING THE POSTMASTER GENERAL TO HOLD AND DETAIN MAIL FOR TEMPORARY PERIODS

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9842) to authorize the Postmaster General to hold and detain mail for temporary periods in certain cases, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 11, strike out "for" and insert "and obtain."

Page 4, after line 4, insert:

"SEC. 2. The provisions of this act shall not apply to mail addressed to publishers or distributors of publications which have entry as second-class matter under the act of March 3, 1879, as amended (ch. 180, 20 Stat. 358; 39 U. S. C. 221, and the following), or to publishers or distributors of copyrighted books and other publications as to which certificate of registration of copyright has been issued under the copyright laws of the United States (title 17 U. S. C.)."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. MURRAY]?

Mr. HAYS of Ohio. Mr. Speaker, reserving the right to object, I would like to know what this bill is about.

Mr. MURRAY of Tennessee. Mr. Speaker, this bill involves mail used for trial purposes, obscene mail or indecent, vile mail going through the mails. It gives the Postmaster General the right to detain such mail for a period of 20 days. Unless he goes to court and files a petition for the purpose of further detention of this material, then the order no longer remains in effect.

Mr. HAYS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BORROWING POWER OF THE COM- MODITY CREDIT CORPORATION

Mr. SPENCE submitted the following conference report and statement on the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation:

CONFERENCE REPORT (H. REPT. No. 2772)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: I lieu of the matter proposed to be inserted by the House amendment insert the following:

"INCREASE IN BORROWING AUTHORITY

"SECTION 1. (a) Section 4 (i) of the Commodity Credit Corporation Charter Act, as

amended (15 U. S. C. 714b (1)), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

"(b) Section 4 of the Act of March 8, 1938, relating to the Commodity Credit Corporation, as amended (15 U. S. C. 713a-4), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000."

"AMENDMENT TO PENAL PROVISIONS

"SEC. 2. Subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), is amended to read as follows:

"LARCENY; CONVERSION OF PROPERTY

"(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, or any property mortgaged or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender, shall, upon conviction thereof, if such property be of an amount or value in excess of \$500, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both, and, if such property be of an amount or value of \$500 or less, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment.

INCREASE IN BORROWING AUTHORITY

Both the Senate bill and the House amendment contained provisions increasing the borrowing authority of the Commodity Credit Corporation from the present ceiling of \$12 billion. In the case of the House amendment the increase in borrowing authority provided was \$2 billion as contrasted to the \$2.5 billion provided for in the Senate bill. The House Banking and Currency Committee reported its bill (H. R. 11132) dealing with Commodity Credit Corporation prior to enactment of the Agricultural Act of 1956. That act requires the Commodity Credit Corporation to make the cash redemption of certificates issued to producers cooperating in the new soil-bank program. Provision was made for the use of Commodity Credit Corporation funds in advance of appropriations until June 30,

1957, to finance operations of the soil-bank program. The Senate bill, which was reported after enactment of the soil-bank legislation, included an allowance of an additional \$500 million increase in Commodity Credit Corporation borrowing authority, largely for the purpose of initially financing the soil-bank operations. The conference substitute retains this provision of the Senate bill.

PENAL PROVISIONS

The House amendment contained provisions making two changes in the penal provisions of the Commodity Credit Corporation Charter Act. One of these would make it a Federal offense to willfully steal or convert property mortgaged or pledged to a lending agency—such as a private bank—under a program of the Commodity Credit Corporation. The other change would reduce from a felony to a misdemeanor offenses involving property of a value of \$500 or less in order to facilitate the prosecution of relatively minor violations and thus facilitate policing of such violations. No similar provision was included in the Senate bill as the Senate had previously passed another bill (S. 3669) containing identical provisions. The Conference substitute retains these provisions of the House amendment.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,

Managers on the Part of the House.

PARTICULAR DESIGNATIONS FOR 14TH STREET BRIDGES

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10947) to provide particular designations for the highway bridges over the Potomac River at 14th Street in the District of Columbia, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs DAVIS of Georgia, WILLIAMS of Mississippi, and BROYHILL.

AMENDING TITLE I OF ACT AUTHORIZING BRIDGE ACROSS THE POTOMAC RIVER

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2568) to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," with House amendments, insist on the amendments of the House, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs DAVIS of Georgia, WILLIAMS of Mississippi, and BROYHILL.

TRANSFER OF ACTIONS TO MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8149, an act to amend the first sentence of paragraph (a) of section 756 of title 11 of the District of Columbia Code, 1951 edition (par. (a) of sec. 5 of the act of Apr. 1, 1942, ch. 207, 56 Stat. 193), relating to the transfer of actions from the United States District Court for the District of Columbia to the Municipal Court for the District of Columbia with the following Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the first sentence of section 5 (a) of the act entitled 'An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as "the municipal court for the District of Columbia," to create "the municipal court of appeals for the District of Columbia," and for other purposes,' approved April 1, 1942 (D. C. Code, sec. 11-756), is amended to read as follows: 'If, in any action, other than an action for equitable relief, pending on the effective date of this act or thereafter commenced in the United States District Court for the District of Columbia, it shall appear to the satisfaction of the court at any time prior to trial thereof that the action will not justify a judgment in excess of \$3,000, the court may certify such action to the municipal court for the District of Columbia for trial.'"

Amend the title so as to read: "An act to amend the act of April 1, 1942, so as to permit the transfer of an action from the United States District Court for the District of Columbia to the municipal court for the District of Columbia at any time prior to trial thereof, if it appears that such action will not justify a judgment in excess of \$5,000."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PRACTICE OF VETERINARY MEDICINE IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5853) to amend the act entitled "An act to regulate the practice of veterinary medicine in the District of Columbia," approved February 1, 1907, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 2, insert:

"SEC. 2. Where any provision of this act, or any amendment made by this act, refers to an office or agency abolished by Reorgan-

ization Plan No. 5 of 1952, such reference shall be deemed to be to the office, agency, or officer exercising the functions of the office or agency so abolished."

Page 2, line 3, strike out "2" and insert "3."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RESIDENCE AREA OF MEMBERS OF METROPOLITAN POLICE FORCE AND FIRE DEPARTMENT, DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2603) to increase the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside; with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "That", insert "(a)."

Page 1, line 9, strike out "shall" and insert "shall, except as otherwise provided in subsection (b) of this section."

Page 1, line 10, strike out "twenty" and insert "twelve."

Page 2, after line 5, insert:

"(b) For the purposes of this act, the Commissioners of the District of Columbia are hereby authorized, in their discretion, to prescribe the area constituting the 'Washington, D. C., metropolitan district' so as to include the District of Columbia and the territory within any radius which is greater than 12 miles but not more than 20 miles from the United States Capitol Building."

Amend the title so as to read: "An act to authorize the Commissioners of the District of Columbia to prescribe the area within which officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia may reside."

Mr. MARTIN. Mr. Speaker, reserving the right to object, have these bills been cleared with the gentleman from Illinois [Mr. SIMPSON]?

Mr. McMILLAN. All these bills have been cleared.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

IMPROVEMENT TO CERTAIN BUSINESS PROPERTIES SITUATED IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4993) to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to business property situated in the District of Columbia,

with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, after "on", insert "(1)."

Page 1, line 8, after "Northwest)" insert "and (2) square 2695, lot numbered 806 (east side of Sixteenth Street between Arkansas Avenue and Upshur Street Northwest), both."

Amend the title so as to read: "An act to authorize the Board of Commissioners of the District of Columbia to permit certain improvements to two business properties situated in the District of Columbia."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEND-LEASE REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 413)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith the 37th Report to Congress on Lend-Lease Operations for the calendar year 1955.

During the year under review collections and credits on lend-lease accounts amounted to approximately \$47 million.

No further settlement agreements were completed during 1955 but notable progress was made toward reaching agreement with Poland for the settlement of its lend-lease indebtedness. Also, continuous efforts were made to reach agreement with Ecuador on settlement terms for certain overdue "cash reimbursement" postwar lend-lease obligations to the United States.

Most other countries made scheduled payments on account.

These and other matters of interest to the Congress and the public are covered more fully in the report.

DWIGHT D. EISENHOWER.

The White House, July 18, 1956.

(Enclosure: 37th Report to Congress on Lend-Lease Operations.)

DESEGREGATION IN PUBLIC SCHOOLS

(Mr. BOYKIN asked and was given permission to address the House for 1

minute, to revise and extend his remarks and to include an article.)

Mr. BOYKIN. Mr. Speaker, prior to the decision of the United States Supreme Court ordering desegregation in the public schools, which reversed the opinions of that Court rendered over a period of approximately 50 years, the relations between the races in the South were most harmonious and there were practically no racial incidents. The extremists who would change the customs and traditions of the people of the South overnight have done a distinct disservice to the Negro people in the South who had been progressing at a rate far beyond their own expectations. Instead of helping the Negro race, they have retarded their progress.

One must bear in mind that the South was ravaged and her agriculture and economy in ruins after the Civil War. We had no Marshall plan to rebuild our economy. The South pulled itself up by its own bootstraps. We had millions of whites who were ill fed, ill housed and ill clothed. The progress made by the Negro race in the South under our economic conditions and with the cooperation and good will of their white neighbors has been phenomenal.

What those from other sections, who do not or will not understand our racial problems, want to accomplish, is complete chaos in our beloved Southland. What they have so far accomplished is to create distrust among the races where formerly there was trust and mutual understanding and cooperation.

The attitude of the average colored person in my district is well represented in a letter I received dated April 19, 1956, from Mobile, from which I quote:

DEAR CONGRESSMAN BOYKIN: I hear so much about segregation. I would like to express my idea on this subject. I'm colored, with a good husband, a married daughter, and a 17-month-old son. I attend and take an active part in Stone Street Baptist Church. I'm happy in my church, and I, nor any of my friends, want any part of changing our way of life. We want our churches and schools left just as they are. We only ask for equal right to serve God as we please, and to have equal opportunities to work and play. I have friends white and colored that pray that God will direct you, our Congressman, to protect our humble way of life.

Mr. Speaker, these professional politicians who are using the Negro as a pawn would have us undergo a second Reconstruction Era in the South. I was greatly impressed by two articles appearing in the July 20, 1956, issue of the U. S. News & World Report, one entitled, "Was the 14th Amendment Ever Really Ratified," and "The Dubious Origin of the 14th Amendment," which latter mentioned article was written by Walter J. Suthon, Jr., professor of civil law, Tulane University, and former president of the Louisiana State Bar Association.

WAS THE 14TH AMENDMENT EVER REALLY "RATIFIED"?

(Today's segregation issues have a 90-year-old history of bitterness and reprisal which began after the Civil War.

(It is the history of the 14th amendment to the Constitution, basis for the Supreme Court ruling on integration in schools.

(The Southern States ratified the amendment—when Congress held a pistol to their

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 23, 1956
For actions of July 20 and 21, 1956
84th-2nd, Nos. 124 & 125

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HIGHLIGHTS: House agreed to conference report on CCC borrowing power bill. Senate passed watershed bill. House committee reported second supplemental appropriation bill. House agreed to conference report on bill to facilitate payment of obligations. Senate passed executive pay and retirement bill. Senate confirmed nomination of Hansen as FHA Administrator. Senate committee reported resolution favoring water resource development. Conferees agreed to report bills to increase Public Law 480 authorization, and amend social security laws. Senate debated mutual security appropriation bill. Senate agreed to conference report on small reclamation project bill. (Continued on page 9)

HOUSE - July 20

1. FOREIGN TRADE; SURPLUS COMMODITIES. The conferees agreed to file a report (but did not actually do so) on S. 3903, to increase the amount authorized for title 1 of the Agricultural Trade Development and Assistance Act of 1954. p. D850
House conferees on this bill had been appointed earlier in the day.
p. 12512

2. **FARM LOANS.** The conferees agreed to file a report on H. R. 11544, to improve and simplify the credit facilities available to farmers and to amend the Bankhead-Jones Farm Tenant Act (but did not actually do so). p. D850
 3. **CCC BORROWING POWER.** Agreed to the conference report on S. 3820, to increase the borrowing power of the Commodity Credit Corporation to \$14.5 billion and to amend the penalty provision of the CCC Charter Act. p. 12550
 4. **SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957.** The Appropriations Committee reported without amendment this bill, H. R. 12350 (H. Rept. 2849). p. 12567
 5. **RECLAMATION.** Received the conference report on S. 497, to authorize the Washoe reclamation project, Nev. and Calif. p. 12511
 6. **CUSTOMS SIMPLIFICATION.** Conferees were appointed on H. R. 6040, the customs simplification bill. p. 12549
 7. **ACCOUNTING.** Agreed to the conference report on H. R. 9593, to simplify accounting and facilitate the payment of obligations. This bill will now be sent to the President. p. 12550
 8. **SOCIAL SECURITY.** The conferees tentatively agreed to language for a conference report on H. R. 7225, the social security bill. The conferees are to meet July 24 for final review of the report. p. D850
 9. **TWINE IMPORTS.** Rep. Marshall referred to an announcement of an executive branch hearing on the possibility of imposing a tariff on the importation of baler and binder twine and stated that American farmers "are asked in effect to bear the higher cost of producing their goods as a kind of direct subsidy to the cordage industry." p. 12552
 10. **PERSONNEL; SURPLUS COMMODITIES; INFORMATION.** The Government Operations Committee approved the following subcommittee reports: "Employment and Utilization of Experts and Consultants," "Distribution of Surplus Agricultural Commodities to Schools and Institutions in Illinois," "Availability of Information From Federal Departments and Agencies." p. D849
 11. **LEGISLATIVE PROGRAM** for this week was announced as follows: Mon., Consent Calendar, bills under suspension of rules, and possibly second supplemental appropriation bill. Tues., civilian atomic power bill.
- SENATE - JULY 20
12. **WATERSHEDS.** Passed with amendments H. R. 8750, to amend the Watershed Protection and Flood Prevention Act. Agreed to an amendment by Sen. Kerr to provide for committee review of projects on which the Federal contribution exceeds \$250,000 (the bill as reported provided for such review when the total cost exceeds that amount). Agreed to an amendment by Sen. Hruska to modify the requirement for employment of engineers in connection with watershed projects so as to make the requirement apply only to projects for storage of water for municipal or industrial purposes. Sen. Aiken criticized the transfer of this bill from the Agriculture and Forestry Committee to the Public Works Committee. Senate conferees were appointed. p. 12428
 13. **NOMINATION; FARM LOANS.** Confirmed the nomination of Kermit H. Hansen to be Administrator of the Farmers' Home Administration. p. 12422

ple who have been under the influence of this propaganda that the gentleman speaks about. On the basis of his argument, I am quite convinced that these charges are probably groundless. However, I am wondering if the gentleman might tell the House, if he knows, what the motives are of the people who have stood up such a tremendous propaganda campaign against this bill.

Mr. O'BRIEN of New York. I thank the gentleman for his question, and I am in a position where I must only guess what the motives are.

Mr. WILLIAMS of Mississippi. I am at a loss to understand, myself.

Mr. O'BRIEN of New York. But I think one motive is this. There is a certain group in our society, in our Nation, which is opposed to any advancement whatsoever in the field of mental health, who would, if they had the chance, tear down the mental health hospitals we have in our several States and would consider the ideal way to treat sick people is to return to the village madhouse.

Mr. WILLIAMS of Mississippi. Can the gentleman see the profit motive in there?

Mr. O'BRIEN of New York. I would not like to charge that, because there is only one group which could profit by the defeat of this conference report, and that is the group which is running Morning-side Hospital. The profit there has been very substantial. It is a profit which has been made on the caring for sick people. That is legal, but, as I say, I am not interested in those profits.

May I say briefly, Mr. Speaker, that there is no question of credit here. I have said that this is an administration bill. It bears the name of the gentleman from Oregon. I have fought for it as best I could. But, this did not start at this session; it began before I came to Congress. For example, the distinguished gentleman from Pennsylvania [Mr. SAYLOR], fought long and hard for this legislation and secured its passage through this House in the 83d Congress.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I want to say to the House that we are deeply indebted to the gentleman from New York and the members of his subcommittee who have worked so hard on this legislation. We are indebted also to those who served on this committee of conference. These people have been attacked in a most vicious way here, as well as other members of the Interior Committee, of which I am a member, and I certainly hope that the Members of this House will not be guided by what some hot-heads on the outside said, but will meet the responsibility of this mental health problem in Alaska as it has been met by the gentleman from New York and the Members who have served with him.

Mr. O'BRIEN of New York. I thank the gentleman.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. I just want to add my word of commendation to the chairman of this committee. I do not know of any chairman of any committee that I have had anything to do with that has been more patient, more understanding of this problem than the chairman of this committee has. He has been absolutely impartial, nonpolitical and has given everybody a chance to be heard. And, I am surprised that he has maintained the patience he has.

Mr. O'BRIEN of New York. I thank the gentleman.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would like to join in the comment of the gentleman from Utah. There has been no more diligent Member of this House in this session of the Congress than the gentleman who is now speaking in the well of the House, Mr. O'BRIEN. He has done a masterful job. He has taken abuse that most people would have rebelled at. He has been maligned by people who have ulterior motives, and the best thing this House can do to establish its own integrity and stand up for the Members who are willing to stand on the firing line and be counted is to overwhelmingly adopt this report and allow the people of Alaska to establish their own commitment procedures and to see to it that the loved ones in Alaska are given the kind of treatment and to the same extent that the people in every State get.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman.

Mr. SISK. May I say to the gentleman that I want to join in every word uttered by the gentleman from Pennsylvania [Mr. SAYLOR]. I want to pay tribute to my distinguished chairman, the gentleman from New York [Mr. O'BRIEN] for the excellent job that he did. As a member of the committee I know of not only the hours but the days and weeks and even months that have been spent in hearings, and of the advice and testimony received from Dr. Overholser and many of the most eminent mental authorities in America today. I think it is an excellent bill and I agree with the gentleman from Pennsylvania [Mr. SAYLOR] that the bill should receive the unanimous vote of this House.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the Delegate from Alaska.

Mr. BARTLETT. Mr. Speaker, I want to say that the gentleman from New York [Mr. O'BRIEN] has the gratitude of the people of Alaska for what he has done for us and my own personal gratitude will be lasting.

Mr. O'BRIEN of New York. I thank the gentleman.

Mr. JONAS. Mr. Speaker, would the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, I should like to say to the gentleman that I have received a great deal of mail on this subject, too. I read the Senate hearings

with great care and was enabled to answer the questions satisfactorily, I thought.

I am not opposed to the Territory of Alaska being permitted to handle its problem in this field. My only concern about the bill as it is now written is with respect to the 1 million acres of land. I understand that under the terms of the bill the Territory itself is permitted to select the land. It strikes me that is being just a bit on the liberal side.

Does not the gentleman think that the United States Government ought to have something to say about where the land should be that is selected and should we not be given the right to come to an agreement with the Territory? Should we not consider it together, pick out the 1 million acres together instead of just allowing the donee to make the selection without any strings attached?

Mr. O'BRIEN of New York. Mr. Speaker, may I answer the gentleman in this way: In the first place, the 1-million-acre figure came into being on a motion in our committee by the gentleman from Nebraska [Mr. MILLER], who has led the fight against this bill. Originally the figure was one-half million acres.

May I say further that the statehood bill for Alaska which came within 48 votes of passage in this House gave the Territory of Alaska 103 million acres. I have no concern about the possibility of Alaska becoming rich. The University of Alaska was given 100,000 acres, and my last information was that they got barely enough out of it to equip a basketball team.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. MILLER of Nebraska. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The motion of the gentleman is not in order. The Senate has already adopted this conference report.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. MILLER of Nebraska) there were—ayes 130, noes 16.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

CUSTOMS SIMPLIFICATION BILL OF 1956

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6040) to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOPER, MILLS, GREGORY, REED of New York, and JENKINS.

COMMODITY CREDIT CORPORATION BORROWING POWER

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 18, 1956.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

"Sec. 8. The rates of pension payable to widows and former widows under the provisions of section 2 of this act, as amended, are hereby increased to \$75 monthly."

SEC. 2. Section 1 of the act of June 24, 1948 (62 Stat. 645; 38 U. S. C. 3641), is amended by deleting the words: "authorized by section 4 of the act of August 7, 1946 (Public Law 611, 79th Cong.), as amended by the act of July 30, 1947 (Public Law 270, 80th Cong.)", and inserting in lieu thereof the following: "prescribed by section 8 of the act of May 1, 1926, as amended by section 3 of the act of March 1, 1944 (58 Stat. 107), as now or hereafter amended (38 U. S. C. 364g)."

SEC. 3. This act shall be effective from the first day of the second calendar month following its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENSIONS TO WIDOWS OF SPANISH-AMERICAN WAR VETERANS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2867) to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, which was unanimously reported by the Committee on Veterans' Affairs.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, and I am not going to object, will the gentleman explain the increases in the bill?

Mr. O'HARA of Illinois. This increases the pensions of the widows of Spanish-American War veterans from approximately \$54 a month to \$75 a month. There are only a handful left of these poor old women. I speak with a great deal of feeling because they are widows of the men I served with in the war over half a century ago.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Speaker, I should like to compliment the gentleman on the wonderful work he, as the last Spanish-American War veteran in the House, has done in getting this bill passed. The bill was reported out of the committee unanimously.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD on the pending bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 8 of the act of May 1, 1926, as amended by section 3 of the act of March 1, 1944 (58 Stat. 107), as amended (38 U. S. C. 364g), is amended to read as follows:

HON. WILLIAM F. KNOWLAND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 4256) to authorize the Honorable WILLIAM F. KNOWLAND, United States Senator from the State of California, to accept and wear the award of the Cross of Grand Commander of the Royal Order of the Phoenix, tendered by the Government of the Kingdom of Greece.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Honorable WILLIAM F. KNOWLAND, United States Senator from the State of California, is authorized to accept the award of the Cross of Grand Commander of the Royal Order of the Phoenix, together with any decorations and documents evidencing such award. The Department of State is authorized to deliver to the Honorable WILLIAM F. KNOWLAND any such decorations and documents evidencing such award.

SEC. 2. Notwithstanding section 2 of the act of January 31, 1881 (ch. 32, 21 Stat. 604; 5 U. S. C. 114), or other provision of law to the contrary, the named recipient may wear and display the aforementioned decoration after acceptance thereof.

Mr. McCORMACK. Mr. Speaker it is a pleasure to me to make this unanimous-consent request for the consideration of this bill relating to the distinguished Republican leader of the United States Senate, Senator KNOWLAND. This is typical of America. It is a pleasure to me because of the fine admiration I hold for him and the equally fine feeling of friendship. In my opinion, he is one of the great Americans of this day and age.

Mr. McDONOUGH. Mr. Speaker, I want to join in the remarks of the majority leader. I think this is a much deserved honor for a distinguished native of the State of California. We are very happy to know that this award has been granted to him.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JUDD. I am curious to know why the name of our colleague, the gentleman from New York [Mr. TABER] was

not included. I happen to know that he received the same honor.

Mr. McCORMACK. If that is so, we can very quickly take care of that. I am calling up the bill that passed the other body.

Mr. JUDD. I thank the gentleman.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIMPLIFYING ACCOUNTING AND FACILITATING THE PAYMENT OF GOVERNMENT OBLIGATIONS

Mr. DAWSON of Illinois. Mr. Speaker, I call up the conference report on the bill (H. R. 9593) to simplify accounting, facilitate the payment of obligations, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 16, 1956.)

Mr. DAWSON of Illinois. Mr. Speaker, there have been no requests for time and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7619. An act to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. PASTORE, Mr. SCOTT, Mr. CARLSON, and Mr. JENNER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1637), entitled "An act for the relief of Sam H. Ray."

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of July 24, 1956
84th-2nd, No. 127

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HIGHLIGHTS: Senate agreed to conference report on CCC borrowing bill. House received conference reports on watershed and Public Law 480 bills. Senate passed mutual security appropriation bill. Senate concurred in House amendments to bill to authorize USDA-State exchange of employees. House recommitted civilian atomic power bill. House committee submitted reports on surplus donations in Ill. and experts and consultants. Rep. Wilson, Ind., commended ACP. Sen. Aiken inserted USDA and BB reports on watershed bill. Sen. Humphrey criticized administration "attitude" toward farmer.

HOUSE

1. ELECTRIFICATION; ATOMIC ENERGY. By a 203-191 vote, agreed to a motion by Rep. Van Zandt to recommit H. R. 12061, to provide for a civilian atomic power acceleration program. p. 12996
2. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957. Passed with amendments this bill, H. R. 12350. The civilian atomic power item was stricken on a point of order raised by Rep. Cannon. p. 13040
3. AGRICULTURAL CONSERVATION PROGRAM. Rep. Wilson, Ind., commended this program and said he is glad USDA officials "have changed their attitude...and are pushing ahead" on the program. p. 13043
4. FORESTRY; ELECTRIFICATION. Rep. Dingell spoke on "give aways" and mentioned the Al Sarena mine case, the grazing bill, and the Dixon-Yates contract. p. 13053

5. SURPLUS COMMODITIES; PERSONNEL. The Government Operations Committee submitted investigation reports on distribution cost of surplus commodities donated to schools and institutions in Ill. (H. Rept. 2893) and employment and utilization of experts and consultants (H. Rept. 2894). p. 13060
6. AIR POLLUTION. The Small Business Committee submitted a report on air pollution problems (H. Rept. 2895). p. 13060
7. ELECTRIFICATION. The Rules Committee reported a resolution for consideration of S. 3338, relating to rates charged to public bodies and cooperatives for electric power generated at Federal projects. p. 13060
8. FORESTRY. The conferees agreed to report (but did not actually report) on H. R. 5712, to provide that the U. S. hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto. p. D876
9. SURPLUS COMMODITIES; FOREIGN TRADE. Received the conference report on S. 3903, to increase from \$1.5 billion to \$3 billion the authorization under title 1 of the Agricultural Trade Development and Assistance Act. p. 13056
10. WATERSHEDS. Received the conference report on H. R. 8750, to make various amendments to the Watershed Protection and Flood Prevention Act. p. 13055
11. LEGISLATIVE PROGRAM. The "Daily Digest" states that the housing, flood insurance, and fisheries bills will be considered today. p. D875

SENATE

12. CCC. Agreed to the conference report on S. 3820, to increase the borrowing authority of the CCC from \$12 billion to \$14.5 billion, make it a Federal offense to willfully steal or convert property mortgaged to a lending agency under a CCC program, and provide that offenses under the Act involving amounts of \$500 or less be reduced from a felony to a misdemeanor. This bill will now be sent to the President. p. 12948
13. EDUCATION. Concurred in the House amendments to S. 1915, to permit the exchange of employees of this Department with those of State political subdivisions or educational institutions. This bill will now be sent to the President. p. 12947
Sen. Johnson commended the Senate for passage of bill for assistance to schools in areas affected by Federal activities. p. 12972
14. LANDS. Agreed to the conference report on H. R. 5712, to transfer certain title III Bankhead-Jones lands to the Indians of the Zia and Jemez pueblos in N. Mex. p. 12957
15. WATERSHEDS. Sen. Aiken inserted and commented on communications from this Department and the Budget Bureau relative to the Administration's position on H. R. 8750, to amend the Watershed Protection and Flood Prevention Act. p. 12966
16. APPROPRIATIONS. The Appropriations Committee reported H. R. 12350, the second supplemental appropriation bill for 1957 (S. Rept. 2770). Sen. Douglas objected to immediate consideration of the measure. pp. 12968, 12988 (For provisions of interest to this Department see item 30, this Digest)

tion process rather than in specific authorizing legislation. This is particularly true with respect to provisional international organizations and temporary international organizations in which the President and the Secretary of State deem it necessary for the United States to participate.

Mr. President, I move the Senate concur in the House amendment.

The motion was agreed to.

AMENDMENT OF FOREIGN SERVICE ACT OF 1945

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives on S. 3481, the Foreign Service Act Amendments of 1956.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3481) to amend the Foreign Service Act of 1946, as amended, and for other purposes, which were on page 3, lines 8 and 9, strike out "by deleting the second sentence of section 517." and insert "by striking out the word 'forty' and inserting in lieu thereof the words 'one hundred and seventy-five'; by inserting before the period at the end of the second sentence the following: 'as a Foreign Service officer'; and by adding after the second sentence a new sentence which shall read as following: 'Notwithstanding the above provisions of this section, the limitation on the maximum number of appointments authorized herein shall not be applicable in the case of any person appointed or assigned by the Secretary of State as a Foreign Service Reserve officer and who thereafter has served in a position of responsibility in such capacity for the required period prior to appointment as a Foreign Service officer.'"; on page 3, line 22, strike out "'thirty-five.'" and insert "'thirty-five', and by inserting after the first sentence the following new sentence: 'However, the highest 5 years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any Foreign Service officer who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance.'"; on page 4, lines 2 and 3, strike out "for his highest 5 consecutive years of service" and insert "'as computed in accordance with subsection (a) of this section,'"; on page 4, strike out line 14 over through and including line 12 on page 6, and insert:

SEC. 12. (a) Section 921 of such act is amended (1) by inserting "(a)" immediately after "SEC. 921.", (2) by striking out "and pursuant to appropriations therefor.", and (3) by amending the proviso in the second sentence to read as follows: "Provided, That an amount equal to the amount expended for such services shall be covered into the Treasury as miscellaneous receipts."

(b) Section 921 of such act is further amended by adding at the end thereof the following new subsections:

"(c) The Secretary, under such regulations as he may prescribe, may authorize and assist in the establishment, maintenance, and operation, by officers and employees of the Serv-

ice, of non-Government-operated commissary and mess services and recreation facilities at posts abroad, including the furnishing of space, utilities, and properties owned or leased by the United States for use by its diplomatic and consular missions. The provisions of the Foreign Service Buildings Act, 1926, as amended (22 U. S. C. 292-300), may be utilized by the Secretary in providing such assistance. Commissary or mess services and recreation facilities established pursuant to this subsection shall be made available, insofar as practicable, to officers and employees of other Government agencies and their dependents who are stationed abroad. Such services or facilities shall not be established in localities where another United States agency operates similar services or facilities unless the Secretary determines that such additional services or facilities are necessary.

"(c) Notwithstanding the last paragraph under the heading 'Subsistence Department' in the act of March 3, 1911 (10 U. S. C. 1253), or the provisions of any other law, charges at any post abroad by a commissary or mess service or recreation facility authorized or assisted under this section shall be at the same rate for all civilian personnel of the Government serviced thereby, and all charges for supplies furnished to such a service or facility abroad by any Government agency shall be at the same rate as that charged by the furnishing agency to its civilian commissary or mess services or recreation facilities.

"(d) Notwithstanding the provisions of section 5 of the act of July 16, 1914, as amended (5 U. S. C. 78), the Secretary may authorize any principal officer to approve the use of Government-owned vehicles located at his post for transportation of United States Government employees who are American citizens, and their dependents, to and from recreation facilities when public transportation is unsafe or is not available."

On page 8, strike out line 23 over through and including line 3 on page 10 and insert:

SEC. 15. Section 943 of such act is amended to read as follows:

"PHYSICAL EXAMINATIONS AND COSTS OF INOCULATIONS

"SEC. 943. The Secretary shall, under such regulations as he may prescribe, provide for physical examinations for applicants for employment and for officers and employees of the Service who are citizens of the United States, and for their dependents, including examinations necessary to establish disability or incapacity in accordance with the provisions of section 831, and shall provide for administering inoculations or vaccinations to such officers and employees and their dependents."

And on page 11, line 18, strike out "class" where it appears the second time, and insert "in-class."

Mr. MANSFIELD. Mr. President, the bill passed the Senate on April 12, 1956. It was passed by the House on July 23, 1956. The following are the important amendments which the House made in the Senate version:

First. The Senate bill removed the existing ceilings contained in section 517 of the act on the number of lateral entries into the Foreign Service. The House bill restores substantially the executive branch request which would result in exempting from the ceiling of 1,250 imposed on lateral entries all lateral entries of persons given Reserve officer appointments by the Secretary who complete the required period of service prior to appointment as Foreign Service officers,

and the House bill would raise from 40 to 175 the ceiling on lateral entries into the Foreign Service Officer Corps from among employees of such agencies as USIA and ICA.

Second. The Senate bill provided that in computing credit for retirement Foreign Service employees might select salaries for their highest 5 consecutive years of service. The House version makes an exception for chiefs of mission, allowing them to use the highest 5 years of service, whether or not consecutive years, in computing annuities.

Third. The Senate bill contains separate provisions on commissaries and mess services and on recreation facilities. The House bill combines these two provisions and narrows slightly the authority given to the Secretary of State.

On the assumption that the House might pass S. 3481 in the closing hours of this session, the Committee on Foreign Relations on Friday, July 20, 1956, considered S. 3481 in the form in which it has now passed the House, and the committee decided to recommend that the Senate accept the House amendments.

Mr. President, I move the Senate concur in the House amendments.

The motion was agreed to.

EXCHANGE OF EMPLOYEES OF DEPARTMENT OF AGRICULTURE AND EMPLOYEES OF CERTAIN STATE INSTITUTIONS

Mr. JOHNSON of Texas. Mr. President, I yield to my friend from Louisiana.

Mr. ELLENDER. Mr. President, some time ago the Senate passed Senate bill 1915, and the bill went to the House, and the House amended it. They are merely clarifying amendments. I took the matter up with the author of the bill, and he is agreeable to the amendments.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1915) to provide for further effectuating the act of May 15, 1862, through the exchange of employees of the United States Department of Agriculture and employees of State political subdivisions or educational institutions, which were: On page 3, line 15, strike out "Act." and insert "Act; and they shall also be entitled to continuation of their insurance under the Federal Employee's Group Life Insurance Act of 1954, so long as the Department continues to collect the employee's contribution from the employee and to transmit for timely deposit into the employees' life insurance fund the amount of the employee's contribution, and the Government's contribution from Department appropriations"; on page 4, line 2, strike out "Standard" and insert "Standardized"; on page 4, line 2, after "Government", insert "Travel"; on page 5, line 3, after "Sec. 7.", insert "(a) Any State employee who is assigned to the Department without appointment shall nevertheless be subject to the provisions of sections 281, 283, 284, 434, 1902, 1905, and 1914 of title 18 of the United States Code and section 99, title 5 of the United States Code."; on page 5, line 3, after "Sec. 7.", insert "(b)"; on page 5, line 17, strike out "Travel Expense Act of 1949."

and insert "as amended," and on page 5, line 18, strike out "travel, or" and insert "travel of."

Mr. ELLENDER. Mr. President, S. 3820, increasing the borrowing power of the Commodity Credit Corporation, was passed by the House on Saturday with an amendment in the nature of a substitute. The House substitute differs from S. 3820 as passed by the Senate in the following respects:

First. The House substitute would increase the borrowing power to \$14 billion, while the Senate bill would increase it to \$14.5 billion.

Second. The House substitute contains an additional section which is identical in substance to S. 3669, which passed the Senate on January 11. This additional section amends the criminal law dealing with willful theft or conversion of property owned by or pledged to the Commodity Credit Corporation by (a) extending it to cover property pledged to secure obligations which the Corporation has guaranteed or is obligated to purchase, and (b) reducing the offense to a misdemeanor where the value of the property involved is \$500 or less.

Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

INCREASED BORROWING POWER FOR COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3820) to increase the borrowing power of Commodity Credit Corporation. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 18, 1956, pp. 12174-12175, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, I move that the Senate agree to the conference report.

Mr. DOUGLAS. Mr. President—

The PRESIDING OFFICER. Does the Senator wish to address himself to the conference report?

Mr. DOUGLAS. Is it not true that a conference report is privileged at any moment, and, therefore, to permit it to go through is not violating the rule that routine business should be taken up in the morning hour, and should not be taken up at any other time?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion of the Senator from Louisiana that the Senate agree to the conference report.

The report was agreed to.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I renew my request to place certain matters in the RECORD.

The PRESIDING OFFICER. Request is made that certain matters be inserted in the RECORD.

Mr. DOUGLAS. Mr. President, is not this matter which normally is inserted only during the morning hour?

The PRESIDING OFFICER. According to the observations of the Chair, requests to have such matters printed in the RECORD have been made many times.

Mr. DOUGLAS. I have great fondness for the Senator from Wisconsin—

Mr. JOHNSON of Texas. Mr. President, I ask for the regular order.

Mr. DOUGLAS. I must object.

The PRESIDING OFFICER. Objection is heard.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 590. An act to incorporate the Military Order of the Purple Heart, a national organization of combat wounded composed solely of Purple Hearters;

H. R. 4392. An act to amend the Internal Revenue Code of 1954 to provide a special method of taxation for real estate investment trusts;

H. R. 11682. An act to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes;

H. R. 11968. An act to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes;

H. R. 12080. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes;

H. R. 12237. An act to encourage and assist the States in the establishment of State committees on education beyond the high school, and for other purposes;

H. R. 12327. An act to provide that the compensation of the Commissioners of the District of Columbia shall be at the rate of \$17,000 each per annum; and

H. R. 12358. An act to authorize the Honorable WAYNE L. HAYS, the Honorable WALTER H. JUDD, the Honorable JOHN J. ROONEY, and the Honorable JOHN TABER, Members of the House of Representatives, to accept and wear the award of the Cross of Grand Commander of the Royal Order of the Phoenix, tendered by the Government of the Kingdom of Greece.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 590. An act to incorporate the Military Order of the Purple Heart, a national

organization of combat wounded composed solely of Purple Hearters; to the Committee on the Judiciary.

H. R. 4392. An act to amend the Internal Revenue Code of 1954 to provide a special method of taxation for real estate investment trusts; to the Committee on Finance.

H. R. 11682. An act to facilitate the control and eradication of certain animal diseases, to facilitate the carrying out of agricultural and related programs, to facilitate the agricultural attaché program, to facilitate the operations of the Farmers' Home Administration, the Federal Crop Insurance Corporation, and the Forest Service, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 11968. An act to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes; and

H. R. 12327. An act to provide that the compensation of the Commissioners of the District of Columbia shall be at the rate of \$17,000 each per annum; to the Committee on the District of Columbia.

H. R. 12080. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

H. R. 12237. An act to encourage and assist the States in the establishment of State committees on education beyond the high school, and for other purposes; placed on the calendar.

H. R. 12358. An act to authorize the Honorable WAYNE L. HAYS, the Honorable WALTER H. JUDD, the Honorable JOHN J. ROONEY, and the Honorable JOHN TABER, Members of the House of Representatives, to accept and wear the award of the Cross of Grand Commander of the Royal Order of the Phoenix, tendered by the Government of the Kingdom of Greece; to the Committee on Foreign Relations.

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, yesterday I offered an amendment to H. R. 627, the civil rights bill, which would broaden the duties of the Commission established by that legislation as follows:

Investigate the allegations that certain citizens of the United States are being deprived of their right to vote or obtain employment, or are being subjected to unwarranted economic pressures, by reason of their color, race, religion, national origin, or membership or nonmembership in a labor or trade organization.

Mr. President, I offer this amendment because our whole system of Government and our whole system of enterprise is based upon individual rights and freedoms. Our basic writings abound with the proof of this statement, and we need only look at the Declaration of Independence to find the substance of all our freedom. The Declaration of Independence says, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." That is not only the cornerstone of our Republic, an expression recognizing the source of our freedom as stemming from God; it

Public Law 864 - 84th Congress
Chapter 815 - 2d Session
S. 3820

AN ACT

All 70 Stat. 783.

To increase the borrowing power of Commodity Credit Corporation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

INCREASE IN BORROWING AUTHORITY

SECTION 1. (a) Section 4 (i) of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714b (i)), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000". ^{69 Stat. 634.}

(b) Section 4 of the Act of March 8, 1938, relating to the Commodity Credit Corporation, as amended (15 U. S. C. 713a-4), is amended by striking out "\$12,000,000,000" and inserting in lieu thereof "\$14,500,000,000".

AMENDMENT TO PENAL PROVISIONS

SEC. 2. Subsection (c) of section 15 of the Commodity Credit Corporation Charter Act, as amended (15 U. S. C. 714m (c)), is amended ^{62 Stat. 1074.} to read as follows:

"LARCENY; CONVERSION OF PROPERTY

"(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, or any property mortgaged or pledged as security for any promissory note, or other evidence of indebtedness, which the Corporation has guaranteed or is obligated to purchase upon tender, shall, upon conviction thereof, if such property be of an amount or value in excess of \$500, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both, and, if such property be of an amount or value of \$500 or less, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

Approved August 1, 1956.

